



# Strategic Plan 2020 – 2025



**agriculture, land reform  
& rural development**

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA







# agriculture, land reform & rural development

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# MINISTER'S FOREWORD

*We will continue to restore our people's dignity by giving them land ownership through our programme of issuing tittle deeds to those communities who lodged their claims in 1998.*



**Ms A.T Didiza (MP)**

Agriculture is one of the important sectors with the greatest potential for economic growth and job creation. Over the medium term, we stand ready to expand agricultural production and transform the industry. Last year we completed the poultry master plan, aimed at supporting chicken farmers and processors. We also commenced the work on the sugar masterplan that will guide the future growth of the sector. It is important to indicate that these two industries were facing challenges that necessitated an urgent intervention.

It is for this reason that they preceded the work of the Agriculture Sector Plan, which will be our focus from now on.

Using the expertise of the Agricultural Research Council, we will implement drought mitigation strategies, focusing on developing drought-resistant seeds, planting and storing fodder, removal of invasive plants and management strategies to prevent soil degradation.

Working with other government departments, over the medium term, we will finalise the strategy on hemp as well as cannabis. Policy and regulatory measures are being developed to regulate the commercialisation of these commodities for industrial and medicinal use. In opening this new industry, it is critical that we open opportunities for small-scale farmers.

## Exports

Growth in the agricultural sector must be managed by focusing on different aspects. The growth of exports cannot be over emphasised, and it must focus on ensuring that more volumes of local products are exported to international markets. We will improve on the registration of products used in the agricultural field as well as agricultural and liquor products that are exported from South Africa.

## **Biosecurity**

We must strengthen our animal health and biosecurity measures. We must manage the risks associated with animal and plant pests, diseases, genetically modified organisms. In implementing these measures, we also need to create a more conducive regulatory environment to stimulate economic growth.

## ***Land Reform and Rural Development***

### **Land Reform**

As announced by President Matamela Cyril Ramaphosa in his 2020 State of the Nation Address, the government will implement key recommendations of the Presidential Advisory Panel on Land Reform and Agriculture, to accelerate land redistribution.

The department will also implement spatial planning and land use management systems, to promote social and economic inclusion, equal opportunity and access to government services.

We must transform land ownership patterns and access to land, especially for the previously disadvantaged, through allocating land to smallholder producers and provide them with comprehensive support packages.

The new beneficiation policy, once signed into law, will prioritise youth, women and persons with disabilities and those who have been farming on communal land. The policy includes the compulsory training of potential beneficiaries before land allocation.

We will continue to restore our people's dignity by giving them land ownership through our programme of issuing title deeds to those communities who lodged their claims in 1998.

### **Rural Development**

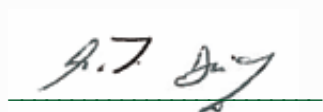
We will prioritise the inclusion of rural areas in the economic activities of this country, by providing social and economic opportunities to overcome the triple challenge of poverty, unemployment and inequality. This requires better planning and coordination in the provision of basic services, food security and rural town development.

Agri-parks as a concept relates to a combination of elements that, if implemented well, can change the rural landscape of our country. These relates to the creation of Farmer Production Support Units. This is a facility that will ensure that in a given district municipal area, identification will be made of what is commonly produced and/or what has a potential in terms of the soil types and climatic conditions. For instance, in an area where grains are dominant, the production centre will have relevant implements to support farmers, through the provision of tractors, planters, harvester, seeds, fertilisers, sprays and pesticides.

## Spatial Planning, Survey and Registry of Deeds

We continue to transform our Deeds registry and build capacity of the Office of the Valuer-General and our surveyors.

I am pleased to table the 2020 – 2025 Strategic Plan of the Department of Agriculture, Land Reform and Rural Development.



**Ms A.T Didiza (MP)**

*Minister of Agriculture, Land Reform and Rural Development*

24/03/2020

# ACCOUNTING OFFICER'S STATEMENT



**Mr Mdu Shabane**

It is an honour for me to present the Strategic Plan of the Department of Agriculture, Land Reform and Rural Development for the 2020/21-2024/25 Medium Term Strategic Framework. April 2020 marks the beginning of the implementation of the new Strategic Plan since the pronouncement of the 6<sup>th</sup> (sixth) Administration.

The new Department of Agriculture, Land Reform and Rural Development (DALRRD) resulted from the reconfiguration of the National Government pronounced by His Excellency, President Ramaphosa, after the National general elections. The reconfiguration of the departments was an endeavour to promote greater coherence, better coordination and improved efficiency. It will be for the first time that DALRRD presents one strategic plan of the erstwhile Departments of Agriculture, Forestry and Fisheries and Rural Development and Land Reform.

In order to respond to the new mandate, the department undertook the initiative to review the functions of both the erstwhile departments to facilitate amalgamation. The purpose of the review was to identify overlaps and cross cutting functions. It has been a challenge over the years for these two departments to work together to promote land reform and food security in support of farmers and land reform beneficiaries.

The first initiative towards amalgamation was led by the honourable minister with all the senior managers of both departments attending the session. The minister defined the strategic direction for the new department and the Vision, Mission, Values and priority areas were developed for a single Department of Agriculture, Land Reform and Rural Development. The minister also facilitated the SWOT analysis whereby the department articulated its strengths, weaknesses, opportunities and threats.

Following the above session with the minister, the department then facilitated the second session towards the development of the strategic plan with the two Directors-General chairing a three-day session. The developed strategic plan was informed by the National Development Plan (NDP) and the seven priorities pronounced by the honourable president of South Africa and the minister's strategic direction. DALRRD developed an impact

statement that will be implemented over the period of the Medium-Term Strategic Framework. The impact statement is the expected change that the sector needs to achieve, and it serves as the measure to ensure effective service delivery and it reads as follows: - ***An effective land and agrarian reform programme that ensures food security, economic growth and spatial transformation.***

The department also developed seven Outcomes around which the DALRRD functions will be organised and measured against. These Outcomes were informed by what the department seeks to achieve in the long term in terms of transformation of the sector. Following the approach that the Government took in terms of the District Development Model approach, the department developed the Agriculture and Agro processing master plan, which further developed the district-based commodity value chains and identified the commodity corridors or agricultural zones. The following are the Outcomes the department adopted: -

- Outcome 1:** Improved governance and service excellence
- Outcome 2:** Spatial transformation and effective land administration
- Outcome 3:** Redress and equitable access to land and producer support
- Outcome 4:** Increased production in the agricultural sector
- Outcome 5:** Increased market access and maintenance of existing markets
- Outcome 6:** Integrated and inclusive rural economy
- Outcome 7:** Enhanced biosecurity and effective disaster risk reduction

**These Outcomes were informed by the following priorities of Government as outlined in the MTSF -**

- Economic Transformation and Job Creation (MTSF priority 1)
- Education, Skills and Health (MTSF priority 2)
- Spatial Integration, Human Settlements and Local Government (MTSF priority 4)
- A Capable, Ethical and Developmental State (MTSF priority 6)

The Outcomes and Outcome Indicators were highlighted and clearly defined how performance of the strategy will be measured. **Outcome 1** describes the department's willingness to create a well governed State, with capable governance structures built on principles of high ethical standards to achieve the impact it wants to see, while **Outcome 2** deals with spatial development planning and land use management systems to promote social inclusion, economic inclusion, equal opportunity and equal access to Government services. Transformation of land ownership and access by Black people in South Africa will be implemented in **Outcome 3**. Hectares of land allocated to smallholder producers should be utilised to produce sufficiently and facilitate graduating from one level to another. Comprehensive support packages will be provided for in this Outcome to ensure commercialisation of smallholder producers.

**Outcome 4** addresses aspects of increasing agricultural production in yields, volumes and efficiencies, through the sustainable use of natural resources, technologies and management of risks. This Outcome would be the measurement of the agricultural output and agricultural input.


Growth in the agricultural sector will be managed through **Outcome 5** focusing on two different aspects of agricultural growth. The importance of growth in exports, which focuses on how much of local production, is exported to other countries and the domestic consumption of produce by target smallholder producers will be dealt with in this Outcome.

**Outcome 6** covers the inclusion of rural areas in the economy of the country by providing social and economic opportunities to overcome triple challenges, namely; poverty, inequality and unemployment. It aims to ensure better planning and coordination in the provision of basic services, food security and rural town development.

Finally, the **7<sup>th</sup> Outcome**, namely, enhanced biosecurity and effective disaster risk reduction, with the of managing risks associated with animal and plant pests and diseases, genetically modified organisms (GMO's), and registration of products used in the agricultural field as well as agricultural and liquor products sold in and exported from South Africa. This includes risks associated with safety of exported products in terms of residue testing and monitoring (meat safety and composition of products is a holistic concept of direct relevance to the sustainability of agriculture, food safety, and the protection of the environment, including biodiversity.

All the above will be supported by an effective land reform programme that will not only deal with the injustices of the past, but will be an integrated land and agrarian reform programme that focuses on, amongst other things: -

- Agriculture, human settlements, economic development targeted acquisition to disrupt the apartheid spatial settlement patterns
- Addressing different land uses and deracialising urban spaces;
- Acquiring strategically located land to build new cities and towns.



**Mr Mdu Shabane**

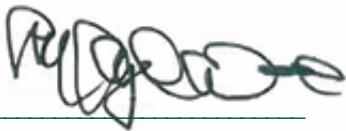
*Accounting Officer*

24/03/2020

# OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Agriculture, Land Reform and Rural Development (DALRRD) under the guidance of Honourable Minister Thoko Didiza.
- The Strategic Plan considers all the relevant policies, legislation and other mandates for which the DALRRD is responsible.
- It accurately reflects the impact, outcomes and outputs which the DALRRD will endeavour to achieve over the five year period of the 2020/21 – 2024/25 financial years.



**Mr Mokutule Kgobokoe**

*DDG: Policy, Planning, Monitoring and Evaluations*

24/03/2020



**Ms Rendani Sadiki**

*Chief Financial Officer*

24/03/2020



**Mr Jacob Hlatshwayo**

*Chief Financial Officer*

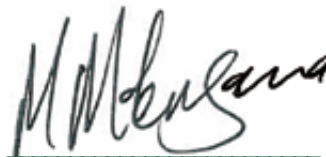
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**Mr Mduduzi Shabane**

*Director-General*

24/03/2020

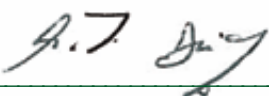


**Mr Mike Mlengana**

*Director-General*

24/03/2020

Approved by:



**Honourable Minister Thoko Didiza (MP)**

24/03/2020

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# ACRONYMS

<b>ALHA</b>	Agricultural Land Holdings Account
<b>ARC</b>	Agricultural Research Act
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CPA</b>	Communal Property Association
<b>CSA</b>	Climate Smart Agriculture
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DALRRD</b>	Department of Agriculture, Land Reform and Rural Development
<b>DWS</b>	Department of Water and Sanitation
<b>EXCO</b>	Executive Committee
<b>FPSU</b>	Farmer Production Support Unit
<b>GDP</b>	Gross Domestic Product
<b>GTA</b>	Global Trade Atlas
<b>IDP</b>	Integrated Development Plan
<b>ILAS</b>	Integrated Land Administration System
<b>ITB</b>	Ingonyama Trust Board
<b>MTSF</b>	Medium Term Strategic Framework
<b>NAMC</b>	National Agricultural Marketing Council
<b>NARYSEC</b>	National Rural Youth Services Corps
<b>NDP</b>	National Development Plan
<b>NSDF</b>	National Spatial Development Framework
<b>OBP</b>	Onderstepoort Biological Products
<b>OVG</b>	Office of the Valuer-General
<b>PDA</b>	Provincial Departments of Agriculture
<b>PPECB</b>	Perishable Products Export Control Board
<b>PSSC</b>	Provincial Shared Services Centre
<b>SA</b>	South Africa
<b>SDG</b>	Sustainable Development Goals
<b>SONA</b>	State of the Nation Address
<b>SP</b>	Strategic Plan
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>TBVC</b>	Transkei, Bophuthatswana, Venda and Ciskei
<b>ULTRA</b>	Upgrading of the Land Rights Act

# PART A

## THE DEPARTMENT'S MANDATE



## CONSTITUTIONAL MANDATE

The Department of Agriculture, Land Reform and Rural Development (DALRRD) derives its mandate from sections 24, 25 and 27 of the Constitution, which can be summarised as follows:

- Section 24(b)(iii) (environmental clause) and 27(1)(b) (health care, food, water and social security clause) covers the agriculture value chains: from inputs, production and value adding to retailing.
- Section 25 (property clause) establishes the framework for the implementation of land reform, and sections 24 (environment clause);
- Section 27 (health care, food, water and social security clause) establish the framework for the implementation of the CRDP

## LEGISLATIVE AND POLICY MANDATES

The department's legislative and policy mandates are informed by national, provincial and local legislations and policies. The legislations and policies can be concurrent or apply to one level.

### Legislative Mandates

The legislative mandate is drawn from various pieces of legislation, which in turn informs the operations of the department. The pieces of legislation are indicated as follows:

#### DALRRD Legislation and Purpose

Act No. and Year	Purpose
Agricultural Debt Management Act, 2001 (Act No.45 of 2001)	Provides for the establishment of the Agricultural Debt Account and the use of the account as a mechanism to manage agricultural debt repayment
Agriculture Law Extension Act, 1996 (Act No.87 of 1996)	Provides for the extension of the application of certain laws relating to agricultural matters to certain territories, which form part of the national territory of the Republic of South Africa; the repeal of certain laws which apply in those territories; and for matters connected therewith
Agricultural Law Rationalisation Act, 1998 (Act No.72 of 1998)	Provides for the rationalisations of certain laws relating to agricultural affairs that remained in force in various areas of the national territory of the Republic prior to the commencement of the Constitution of the Republic of South Africa
Agricultural Pests Act, 1983 (Act No.36 of 1983)	Provides for measures by which agricultural pests may be prevented and combated

Act No. and Year	Purpose
Agricultural Produce Agents Act, 1992 (Act No.12 of 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and for the control of certain activities of agricultural produce agents
Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)	Provides for the control over the sale and export of certain agricultural products, control over the sale of certain imported agricultural products and control over other related products
Agricultural Research Act, 1990 (Act No.86 of 1990)	Provides for the establishment of a juristic person to deal with agricultural research; the determination of its objects, functions, powers and duties
Animal Diseases Act, 1984 (Act No.35 of 1984)	Provides for the control of animal diseases and parasites, and for measures to promote animal health
Animal Identification Act, 2002 (Act No.6 of 2002)	Provide the consolidation of the law relating to the identification of animals and incidental matters
Animal Improvement Act, 1998 (Act No.62 of 1998)	Provides for the breeding identification and utilisation of genetically superior animals in order to improve the production and performance of animals
Animals Protection Act, 1962 (Act No.71 of 1962)	Provides the consolidation and amendment of the law relating to the prevention of cruelty to animals
Conservation of Agricultural Resources, 1983 (Act No.43 of 1983)	Provides for control over the utilisation of the natural agricultural resources of the Republic in order to promote the conservation of the soil, water sources and vegetation and the combating of weeds and invader plants
Deeds Registries Act, 1937 (Act No. 47 of 1937)	Provides for the provision for the administration of the land registration system and the registration of rights in land. Through the Office of the Chief Registrar of Deeds, the department is mandated to register title.
Fencing Act, 1963 (Act No. 31 of 1963)	Provides for the consolidation of the laws relating to fences and the fencing of farms and other holdings and matters incidental thereto
Fertilisers, Farm Feeds Agricultural Remedies and Stock Remedies Act, 1947 (Act No.36 of 1947)	Provides for the appointment of a Registrar of Fertilizers, farm feeds, agricultural remedies and stock remedies; the registration of fertilisers, farm feeds, agricultural remedies, stock remedies, sterilizing plants and pest control operators; the regulation or prohibition of the importation, sale, acquisition, disposal or use of fertilizers, farm feeds, agricultural remedies and stock remedies and the designation of technical advisers and analysts

Act No. and Year	Purpose
Genetically Modified Organisms Act, 1997 (Act No.15 of 1997)	Provides for measures to promote the responsible development, production, use and application of genetically modified organisms, to provide for an adequate level of protection during all activities involving genetically modified organisms that may have an adverse impact on the conservation and sustainable use of biological diversity, human and animal health
Groot Constantia Trust Act, 1993 (Act No. 58 of 1993)	Provides for the provision of the incorporation of the Groot Constantia Control Board as an association not for gain; for the transfer of the Groot Constantia Estate to the said association; and for matters connected therewith
KwaZulu Cane Growers' Association Repeal Act, 2002 (Act No. 24 of 2002)	Provides for the repealing of the KwaZulu Cane Growers' Association Act, 1981 and matters connected therewith
Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)	Provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons on it. In addition, it provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes.
Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)	Provides for the provision of security of tenure for labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants.
Land Survey Act, 1997 (Act No. 8 of 1997)	Provides for the regulation of the surveying of land in South Africa. The department is responsible for surveying land throughout the country.
Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Provides for the authorisation of the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of levies on agricultural products; and to establish a National Agricultural Marketing Council
Meat Safety Act, 2000 (Act No.40 of 2000)	Provides for measures promoting meat safety and the safety of animal products; to establish and maintain essential national standards in respect of abattoirs; to regulate the importation and exportation of meat; to establish meat safety schemes; and to provide for matters connected therewith
Onderstepoort Biological Products Incorporation Act, 1999 (Act No.19 of 1999)	Provides for the establishment of a company to manage the institution known as Onderstepoort Biological Products
Performing Animals Protection Act, 1935 (Act No. 24 of 1935)	Provides for the regulation of the exhibition and training of performing animals and the use of dogs for safeguarding

Act No. and Year	Purpose
Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)	Provides the control of perishable products intended for export from the Republic of South Africa
Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)	Provides a system whereby plant breeders' rights relating to varieties of certain kinds of plants may be granted and registered; for the requirements which must be complied with for the granting of such rights; for the protection of such rights and the granting of licenses in respect of the exercise thereof
Plant Improvement Act, 1976 (Act No. 53 of 1976)	Provides for the registration of premises from which the sale of certain plants or the cleansing, packing and sale of certain propagating material may be undertaken; prescribes the conditions subject to which such plants or propagating material may be sold for the purposes of cultivation
Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)	Provides for the provisioning of restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the act provides for the establishment of a Commission on Restitution of Land Rights and a Land Claims Court, and for matters connected with land restitution.
Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	Provides the control of societies for the prevention of cruelty to animals and for matters connected therewith
Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)	Provides the subdivision and, in connection therewith, the use of agricultural land
Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013)	<p>Provides for the bridging of the racial divide in spatial terms and to enable transformation of the settlement patterns of this country in a manner that gives effect to the key constitutional provisions, by the introduction of a new approach to spatial planning and land use management, based on the following instruments:</p> <ul style="list-style-type: none"> <li>• Development principles, norms and standards that must guide spatial planning, land use management and land development throughout the country by every sphere of government</li> <li>• Spatial development frameworks, to be prepared by national, provincial and local government</li> <li>• Municipal wall-to-wall Land Use Schemes to manage and facilitate land use and land development, and</li> <li>• Land development management procedures and structures.</li> </ul>

Act No. and Year	Purpose
Veterinary and Para veterinary Professions Act, 1992 (Act No. 19 of 1992)	Provides for the establishment, powers and functions of the South African Veterinary Council

## Planned legislation

Planned legislation for approval
<ul style="list-style-type: none"> <li>• Agricultural Produce Agents Amendment Bill</li> <li>• Agricultural Products Standards Amendment Bill</li> <li>• Communal Land Tenure Bill, 2018;</li> <li>• Deeds Registries Amendment Bill, 2018;</li> <li>• Land Survey Amendment Bill, 2018; and</li> <li>• Perishable Products Export Control Bill</li> <li>• Planning Profession Amendment Bill, 2018;</li> <li>• Plant Health (Phytosanitary) Bill</li> <li>• Preservation and Development of Agricultural Land Bill</li> <li>• Regulation of Agricultural Land Holding Bill, 2018;</li> <li>• Rural Development Bill, 2018.</li> <li>• Sectional Titles Amendment Bill, 2018</li> </ul>

## Policy Mandates

### Department of Agriculture, Land Reform and Rural Development (DALRRD) Policy Mandate

The Department of Agriculture, Land Reform and Rural Development had to finalise outstanding policies and initiate others to execute its mandate. The following are the approved and planned policies;

#### DALRRD approved policies

Approved Policies
Agricultural Land Holdings Policy Framework
Agro-processing Policy
Bio-safety Policy
DAFF External Bursary Scheme policy (2004)
Development Finance Policy Framework
Experiential training, internship, professional development Policy (2004)
Food and Nutrition Security Policy
International Training Policy (2005)
Mafisa Credit Policy Framework

## Approved Policies

Marketing Policy

Pesticides Management Policy

Plant Breeders Rights Policy

Plant Health (Phytopathology) Policy

State Assets Acquisition and Lease Disposal Policy

Land Development Support Policy

Rural Development Framework

## Planned Policies

Animal Identification and Traceability Policy

Agricultural Insurance Policy Framework

Communal Land Tenure Policy

Communal Property Association Policy

Crop Production Policy

Electronic Deeds Registration Policy

Land Holdings in South Africa

National Policy on Plant Improvement

National Land Tenure Policy: Responses to Historically Racial Based Social and Economic Disparate Spaces

National Policy on Extension and Advisory Services

National Policy on Comprehensive Producer Development Support

National Research and Development Policy

National Policy on organic production

Policy for the Sustainable Management of Veld (range) and Forage Resources in South Africa

Policy on Access to Historical Land Marks and Heritage Sites on Private Land (in collaboration with DAC)

Policy on the Exceptions on the June 1913 Cut-off Date of the Restitution of Land Rights

Proactive Land Acquisition and Farm Share Equity Schemes

Rural Development Agency Policy

Rural Investment and Development Financing Facility

Rural Enterprises and Industry Development Policy

Rural Settlements Operations Policy

Sustainable Management of Veld (range) and Forage Resources in South Africa

Strengthening of Relative Rights for People Working the Land Policy

## RELEVANT COURT RULINGS

Below are the court rulings that could negatively impact the operation of the department:

**1. National Societies for the Prevention of Cruelty to Animals vs Minister of Agriculture, Forestry and Fisheries and Others, 2013 (5) SA 571 (CC)**

There was one court judgement and a few review applications relating to the Subdivision of Agricultural Land Act (SALA). The impact of the judgement compels the delegate and Minister to produce concrete scientific and other evidence to substantiate decisions regarding subdivision. The SALA is being replaced by the Preservation and Development of Agricultural Land Bill (PDALB).

**2. Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others (CCT40/15) [2016] ZACC 22; 2016 (5) SA 635 (CC); 2016 (10) BCLR 1277 (CC) (28 July 2016)**

In the above-mentioned case, the Restitution of Land Rights Amendment Act 15 of 2014 was declared invalid. The declaration of invalidity of paragraph 2 took effect from July 2016 meaning that no new land claims should be entertained by the Commission for Restitution of Land Rights. It was stated that, pending the re-enactment by Parliament of an Act re-opening the period of lodgement of land claims envisaged in section 25(7) of the Constitution, the Commission on Restitution of Land Rights, represented in these proceedings by the Chief Land Claims Commissioner (Commission), is interdicted from processing in any manner whatsoever land claims lodged from 1 July 2014. In effect this means that only claims that were lodged before 31 December 1998 should be finalized and the reopening of new claims will be done through new legislation.

**3. Mwelase and Others v Director-General for the Department of Rural Development and Land Reform and Another (CCT 232/18) [2019] ZACC 30 (20 August 2019)**

The judgement in this case makes provision for the appointment of a special master for labour tenants by Land Claims Court. The special master will, in collaboration with the department, develop a costed implementation plan for the efficient processing and referral of applications to court, for approval by the court; and to monitor the implementation of labour tenants' applications in line with Land Reform (Labour Tenants) Act 3 of 1996. The implication for the department is that it must ensure that all labour tenant applications are prioritised for settlement or referral to court.

**4. Constitutional Court judgments on the Upgrading of Land Rights Act 112 of 1991**

The Constitutional Court handed down two judgments on the constitutionality of various sections of the Upgrading of the Land Rights Act 112 of 1991 ("ULTRA") ULTRA provides for the upgrading and conversion into ownership of certain rights granted in respect of land, and for the transfer of communal land

in full ownership to traditional communities. When ULTRA was passed, some parts of South Africa had been balkanised into the so-called TBVC states which were not subject to the law passed by the South African Parliament. It therefore did not apply to the TBVC states. The operation of ULTRA was extended to the rest of the country in 1998, save for sections 3, 19 and 20 of ULTRA.

The first judgment, *Rahube v Rahube and Others* 2019 (2) SA 54 (CC), dealt with the constitutionality of section 2 (1) of ULTRA which provides for the conversion of land tenure rights mentioned in schedule 1 of the Act. The Court held that section 2(1) of ULTRA is constitutionally invalid insofar as it automatically converted holders of any deed of grant or any right of leasehold as defined in regulation 1 of Chapter 1 of the Regulations for the Administration and Control of Townships in Black Areas, 1962 Proc R293 GG 373 of 16 November 1962 (Proclamation R293) into holders of rights of ownership in violation of women's rights in terms of section 9 (1) of the Constitution. The declaration of invalidity was made retrospective to 27 April 1994, and Parliament was given 18 months to introduce a constitutionally permissible procedure for the determination of rights of ownership and occupation of land to cure the constitutional invalidity of the impugned provisions.

The second judgment, *Herbert No & Others v Senqu Municipality* [2019] ZACC 31, dealt with the constitutionality of section 25A of ULTRA which provided that the Act applies through the Republic except sections 3, 19 and 20. The Applicants challenged was limited, by the facts of the case, to the non-application of section 3. The Constitutional Court confirmed the declaration of invalidity made by the High Court of South Africa, Eastern Cape Division, that section 1 of the Land Affairs General Amendment Act 61 of 1998 and section 25A of the Upgrading of Land Tenure Rights Act 112 of 1991 are inconsistent with the Constitution and invalid to the extent that they do not extend the applicability of section 3 of the ULTRA to the entire Republic of South Africa. The remedy given by the Court was that as from 22 August 2019 of the court section 25A of ULTRA shall be read as if it makes no reference to section 3.

The department is presently finalising a Bill to amend the ULTRA.

# PART B

## THE DEPARTMENT'S STRATEGIC FOCUS



# VISION, MISSION AND VALUES

## *Vision*

Equitable access to land, integrated rural development, sustainable agriculture and food security for all.

## *Mission*

To accelerate land reform, catalyse rural development and improve agricultural production to stimulate economic development and food security through:

- transformed land ownership patterns
- agrarian reform
- implementation of an effective land administration system
- sustainable livelihoods
- innovative sustainable agriculture
- promotion of access to opportunities for youth, women and other vulnerable groups
- integrated rural development

## *Values*

1. Courtesy and compassion
2. Effective communication and transparency
3. People centred service standards
4. Professionalism and accountability
5. Respect and integrity (ethics and honesty)

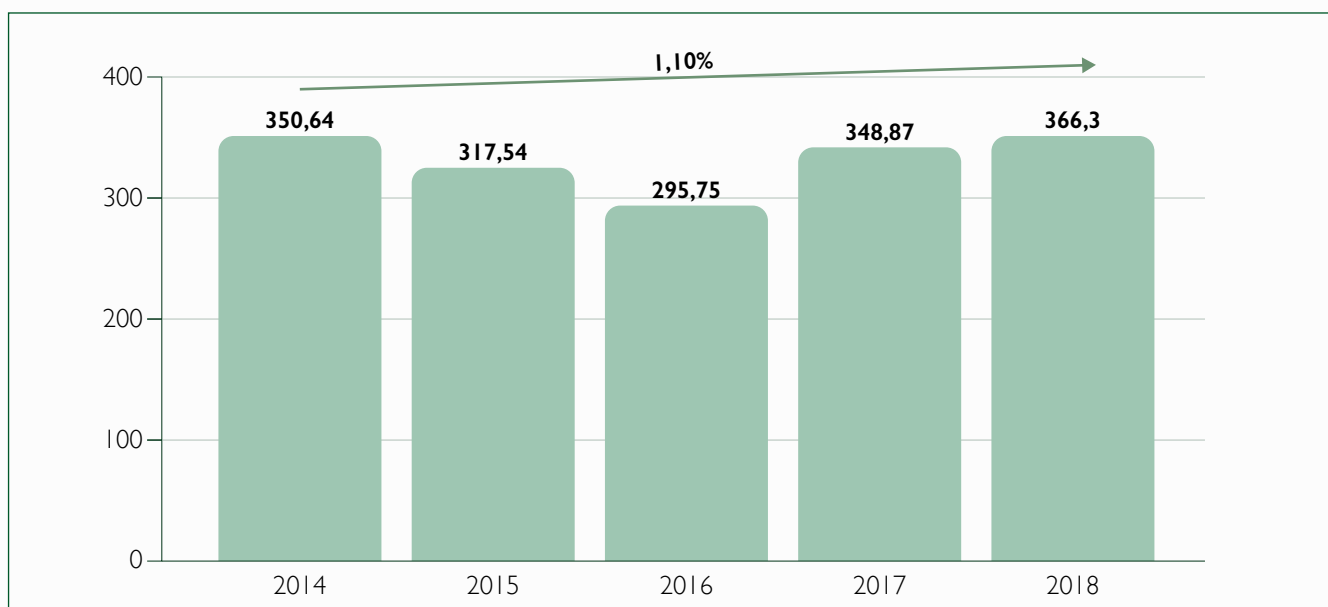
# SITUATIONAL ANALYSIS

## External Environment Analysis

To ensure that the DALRRD has a Strategic Plan that is relevant to the context in which it operates, an external environmental analysis was conducted. The analysis considers the broader macro-economic environment which will have direct, indirect and induced effects on the department, its partners and its clients/ beneficiaries.

### The Macro-economic Environment

While South Africa is one of the largest economies on the African continent, it has experienced marginal growth and has been out-performed by other emerging economies, such as Nigeria. As illustrated in the figure below, Gross Domestic Product (GDP) has been growing at less than 1,1% over the past five years.<sup>1</sup> While the impact of uncertain global economic conditions has contributed to this stagnation, other key contributors include policy uncertainty, energy crises, and low investor sentiment.

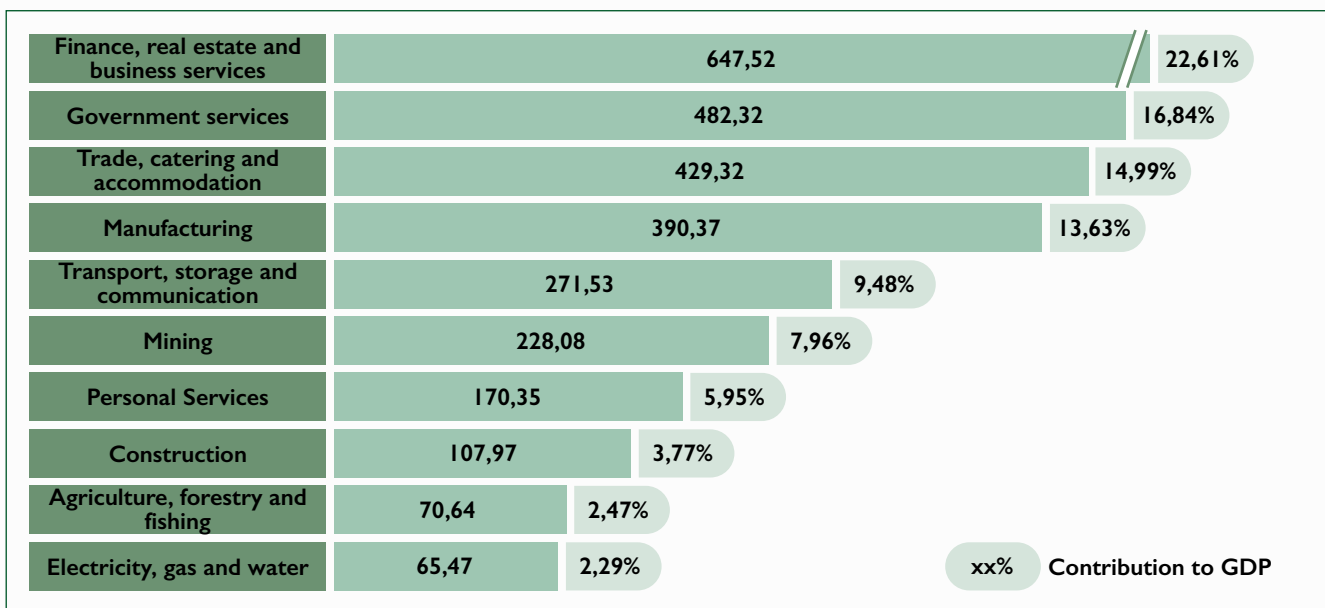


**Figure 1: Gross Domestic Product (GDP) for South Africa over a 5-year period (US\$ billions)**

Over this period, the Finance, Real Estate and Business Services sector has been the key economic driver of the economy, contributing to 22,61% of the GDP (Figure 1).<sup>2</sup> This is also the fastest growing sector, and has grown by 2,5% over this period. Government services follow as the second largest contributor, speaking to high levels of expenditure characteristic of the country. While mining still contributes 7,96% to the GDP of the country, the industry is shrinking due to unstable conditions. The Agriculture, Forestry and Fisheries sector, which is of most significance to DALRRD, is the second smallest contributor to the South African economy, contributing only 2,47%. Further to this, the sector has been experiencing relatively stagnant growth over the past five years, at 0,6%. This indicates that there is work to be done to boost the growth of the South African agriculture sector.

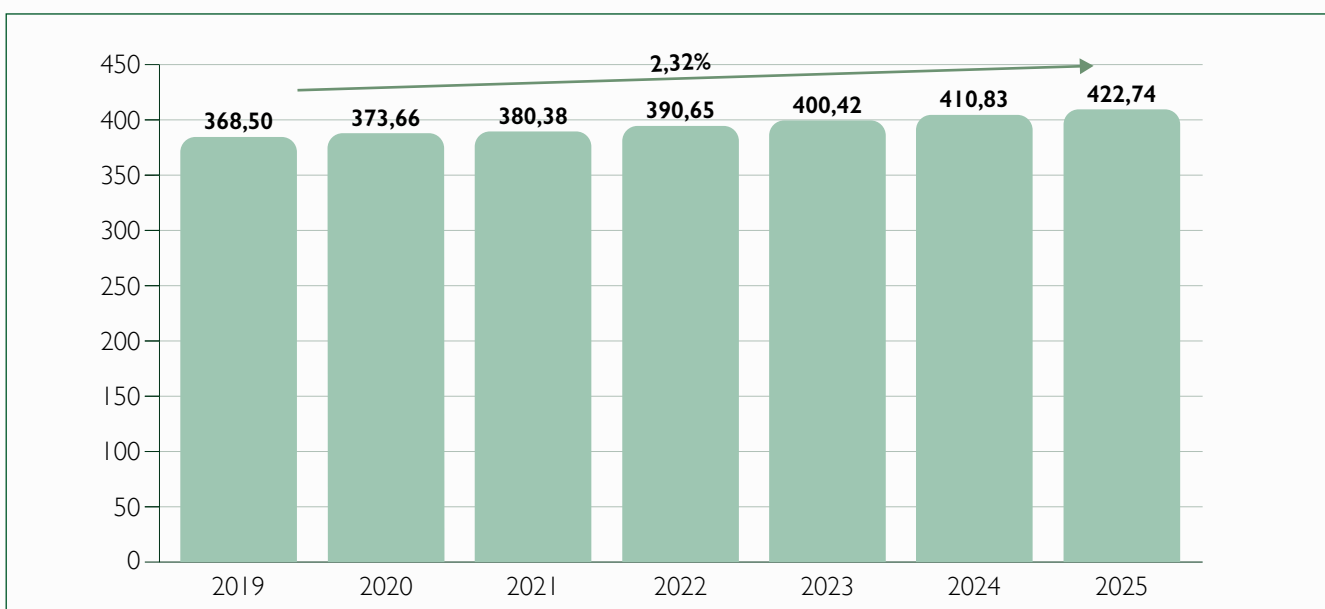
1 World Bank Data, 2019 – <https://data.worldbank.org/country/south-africa>

2 StatsSA, 2018 – Quarterly Gross Domestic Product Review



**Figure 2: Industry Value Added to South African Gross Domestic Product (R billion)<sup>3</sup>**

Moving forward, the South African economic outlook is predicted to remain relatively stagnant over the next five-year period. As illustrated below, Fitch Solutions forecasts that the country's GDP will grow at an average rate of 2,07% between 2018 and 2025. Given South Africa's close links with the global economy, the country remains heavily exposed to the external environment. A combination of still relatively low commodity prices and a challenging operating environment will keep growth mild, below 2,5% year-on-year over the next six years.<sup>4</sup> The politically uncertain global environment, as well as national contributing factors such as corruption and the energy crisis, will affect these forecasts.<sup>5</sup>



**Figure 3: Forecast Gross Domestic Product (GDP) for South Africa for 2019 – 2025 (US\$ billions)<sup>6</sup>**

3 StatsSA, 2018 – Quarterly Gross Domestic Product Review

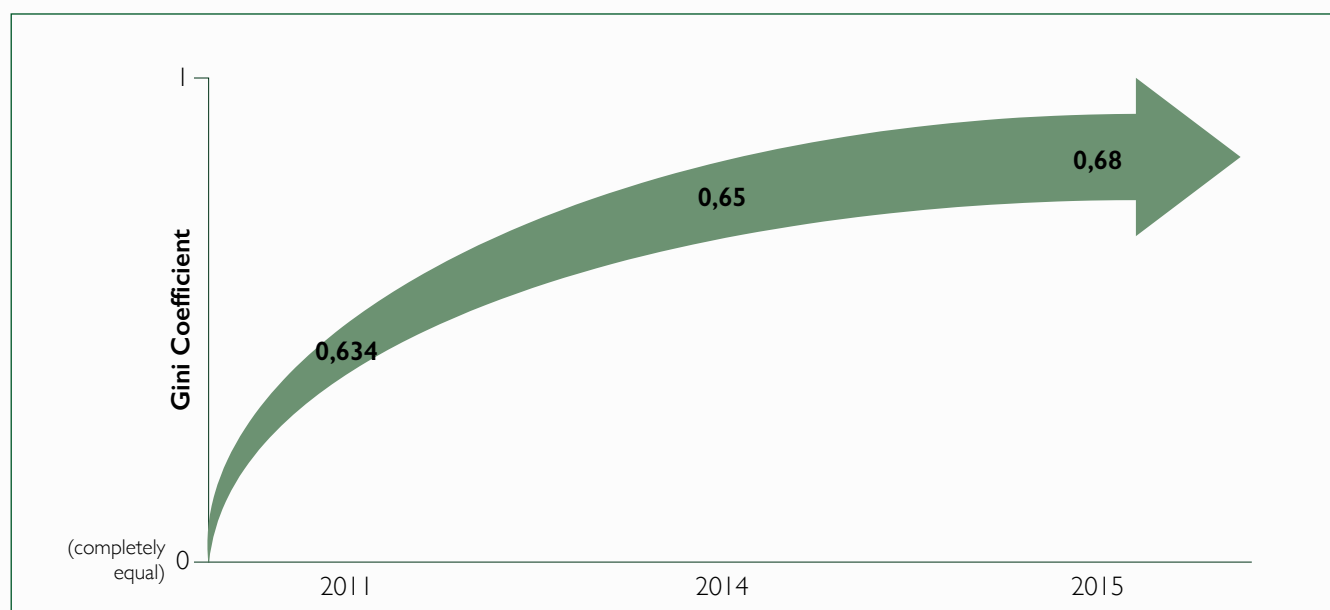
4 Fitch Solutions, 2019 – South Africa Country Risk Report

5 StatsSA, 2018 – Quarterly Gross Domestic Product Review

6 Fitch Solutions, 2019 – South Africa Country Risk Report

While this context provides an overview of the historic and projected economic performance on South Africa, these trends have a dialectic relationship with the socio-economic context of the country, which is central to the desired impact of the DALLRD. To holistically understand the socio-economic context of South Africa, multiple indicators need to be considered including inequality levels, education provision, healthcare and unemployment, as these provide an indication of the macro-issues which rural development aims to target.

In terms of inequality, South Africa has one of the highest Gini Coefficients in the world, at 0,68.<sup>7</sup> Moreover, the state of inequality worsened between 2011 and 2015, as illustrated below. Within this socio-economic context, 21,9 million people, or 40% of the population, live under the lower-bound poverty line of R647/month, and 30,4 million people, of 55,5% of the population, live under the upper-bound poverty line of R992/month.<sup>8</sup>



**Figure 4: Gini Coefficient of South Africa over time<sup>9</sup>**

Education, healthcare and the economic structure play critical roles in the state of employment in the country. South Africa's unemployment rate has been on the rise, reaching 29% in 2019.<sup>10</sup> This is both a symptom and a cause of the current economic and socio-economic climate. Youth unemployment is also, as President Cyril Ramaphosa termed in the 2019 State of the Nation Address, "a national crisis that demands urgent, innovative and coordinated solutions".<sup>11</sup> The unemployment rate for youth aged 15-24 years old currently sits at 55,2%.<sup>12</sup> While there is a relatively high graduate unemployment rate, education is a key correlate of employment, illustrated the interconnected nature of the socio-economic challenges faced by South Africa.<sup>13</sup>

7 StatsSA, 2015 – Poverty Trends in South Africa

8 StatsSA, 2015 – Poverty Trends in South Africa

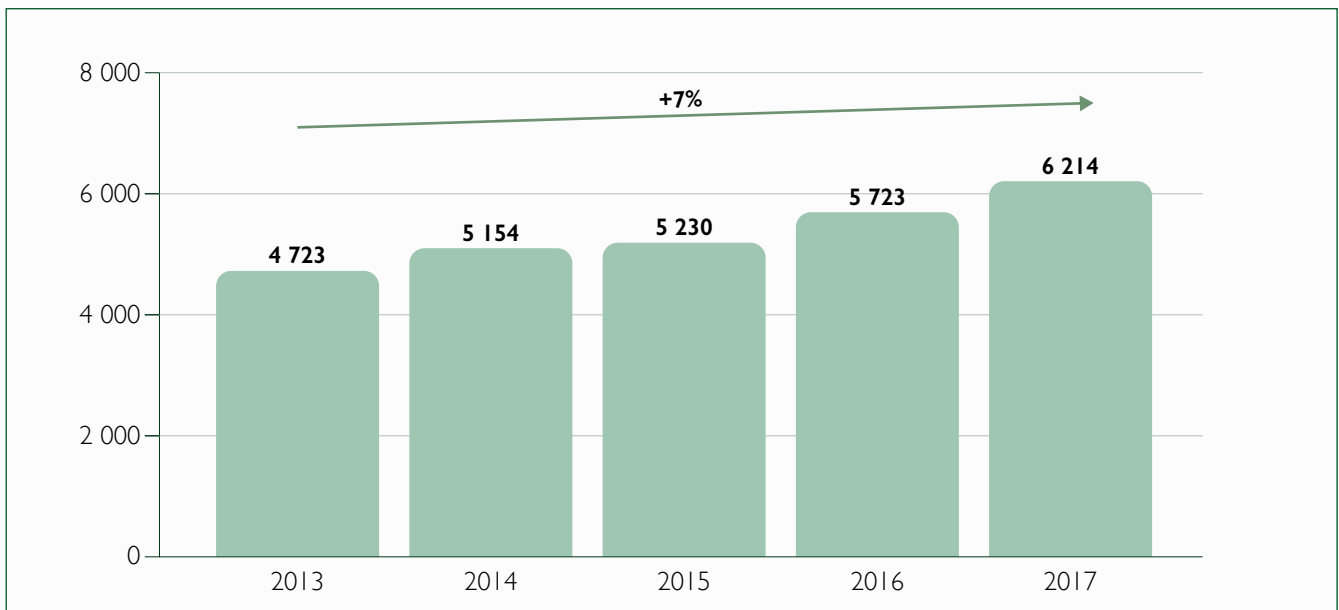
9 StatsSA, 2015 – Poverty Trends in South Africa

10 StatsSA, 2019 – Q2 Labour Survey

11 South African Government, 2019 – State of the Nation Address

12 StatsSA, 2019 – Youth Graduate employment rate increases in Q1: 2019

13 StatsSA, 2019 – Youth Graduate employment rate increases in Q1: 2019



**Figure 5: Growth in the number of unemployed citizens 2013 – 2017 ('000s of people)<sup>14</sup>**

Overall, it is evident that the South African macro-economic environment is characterised by a myriad of challenges. The national economy has been stagnant due to both internal and external factors, and this has in turn contributed to the socio-economic context of high poverty and inequality. While the above analysis has illustrated the high-level challenges faced by South Africa, the department has a significant role to play in tackling national objectives to change the status quo set out in the National Development Plan, specifically bolstering agriculture, land reform and rural development as levers for economic growth and development.

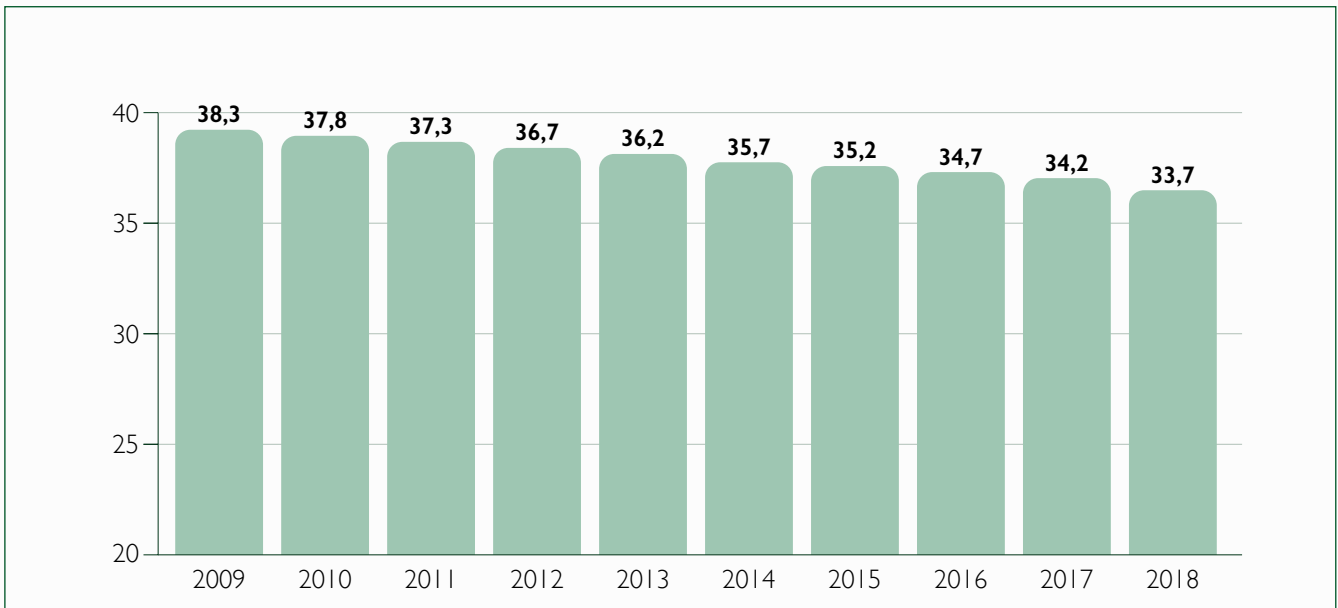
### Impact on beneficiaries

Within this environment, the DALRRD is specifically mandated to support rural South Africa and should thus consider how the macro-economic context affects the customers it serves. In this regard, the beneficiaries of the department are South Africans in the agriculture sector; South Africans living in rural areas, and all South Africans with land claims or land administration needs. To better understand how the macro-economic environment affects these citizens, a more detailed analysis of rural South Africa has been conducted, as this is the beneficiary sphere of focus for the department.

Approximately 33,7% of the South African population lives in rural areas (Figure 7). This figure is below the global average of 44,7% (2018),<sup>15</sup> and has been declining gradually over the ten years due to rapid urbanisation, as illustrated in the figure below. While rural areas were a key development priority in the early 2000s, an increasing global focus on cities through the development of the New Urban Agenda and Sustainable Development Goal 11 focusing on Sustainable Cities has meant that rural areas have been deprioritised to a certain extent. This has been a contributing factor to the state of rural poverty and underdevelopment.

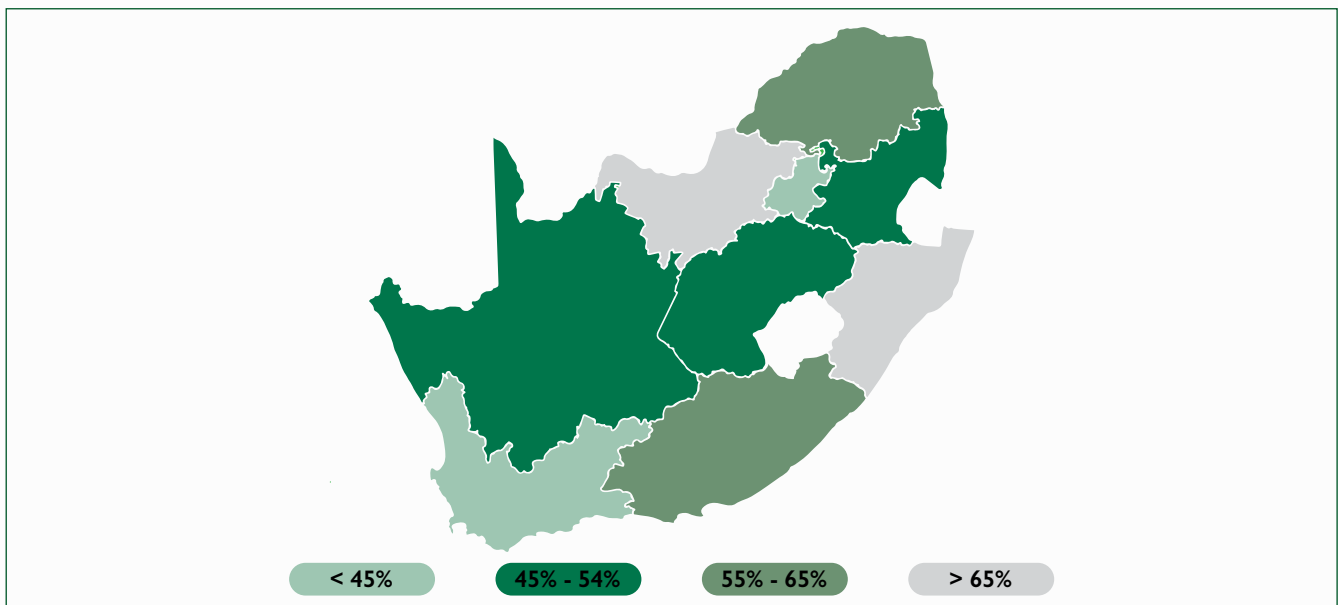
<sup>14</sup> StatsSA, 2019 – Q2 Labour Survey

<sup>15</sup> World Bank Data, 2019 – Rural Population (% of total population)



**Figure 6: South African rural population as a percentage of the total national population (%)<sup>16</sup>**

In South Africa, rural areas have the highest poverty concentration. It is estimated that 59,7% of the population living below the poverty line are found in rural areas. This is illuminated when the provincial distribution of poverty is analysed. As illustrated below, there is a correlation between low poverty levels and highly urbanised provinces, such as Gauteng and the Western Cape – and conversely, between high poverty levels in provinces where the majority live in rural areas, such as the Eastern Cape and Limpopo.<sup>17</sup> This illustrates that there are spatial patterns of economic development in South Africa which result in acute poverty in rural areas. While the disconnected nature of rural areas may be an explanatory factor of this phenomenon, the spatial configuration of national value chains and broader economic climate are also key factors.<sup>18</sup>



**Figure 7: Provincial poverty levels in South Africa<sup>19</sup>**

16 World Bank Data, 2019 – Rural Population (% of total population) in South Africa  
 17 StatsSA, 2015 – Living Conditions Survey  
 18 du Toit, 2017 – Explaining the Persistence of Rural Poverty in South Africa  
 19 StatsSA, 2015 – Living Conditions Survey

The characteristically poverty-stricken nature of rural South Africa is both a cause and effect of poor performing socio-economic indicators including education, healthcare and employment. The majority of rural South Africa as it stands today fell under the homelands system during colonialism and Apartheid, emphasising their historic exclusion from service delivery. Limited access to quality education and healthcare is an acute challenge in rural areas, due to undeveloped infrastructure and limited economic activity.<sup>20</sup> There are a total of 11 252 schools in rural areas across South Africa, many of which face infrastructural challenges, teacher shortages and other critical challenges.<sup>21</sup> In terms of healthcare, recent health outcomes indicate that a child living in rural Eastern Cape is more than twice as likely to die in the first year of life than a child from the Western Cape.<sup>22</sup> While there are a number of factors affecting this disparity, the rural-urban divide is chief among them.

A contributing factor to rural poverty and underdevelopment is the rapid rate of rural-urban migration which is taking place in South Africa. The rate of rural-urban migration has almost doubled over the past two decades, increasing from 15 people per 1 000 to 28 people per 1 000.<sup>23</sup> Both economic and non-economic reasons cause citizens to move from rural areas to urban areas, including hopes of employment and higher wages, better access to social services such as healthcare and education, and to reunite with family living in cities.<sup>24</sup> While the promise of the city may seem appealing to rural residents, prosperity in urban areas is not necessarily guaranteed, as the rapid influx of people into the cities has put pressure on social services and housing requirements. In rural areas, the outflow of citizens who constitute the majority of the economically active population exacerbates underdevelopment. This results in decreased economic activity and investment in rural areas. It is within this context that the DALRRD is mandated to serve residents in rural areas by provide economic stimulation in a three-pronged manner: by stimulating the agriculture sector; co-ordinating rural development, and promoting access to and productivity of land.

## Impact on the department

While the macro-economic environment impacts the beneficiaries of DALRRD, there are also key implications for the department itself which will affect its operations. As has been discussed, the current economic climate of the country has put strain on the national fiscal position. South Africa's fiscal position is forecast to remain under pressure due to a number of ambitious social programmes including the roll out of the National Health Insurance Scheme.<sup>25</sup> The 2019/20 appropriated budget for DAFF decreased by 0.9% (nominal).<sup>26</sup> The budget for DRDLR, although increased in nominal terms, decreased by 0.19% after adjustment for inflation.<sup>27</sup> While these are not significant effects to the overall budget allocated to agriculture and rural development, there is a very high likelihood that there will be calls for higher budgetary constraints in the medium to long term, which may require the department to cut down on costs and increase the efficiency of expenditure.<sup>28</sup>

20 du Toit, 2017 – Explaining the Persistence of Rural Poverty in South Africa

21 Hlalele, 2012 – Social Justice and Rural Education in South Africa

22 Gaede & Versteeg, 2011 – The State of the Right to Health in Rural South Africa

23 Ntshidi, 2017 – Patterns of Rural-Urban Migration in South Africa

24 Mlambo, 2018 – An Overview of rural-urban migration in South Africa: its causes and implications

25 Fitch Solutions, 2019 – South Africa Country Risk Report

26 <https://pmg.org.za/taled-committee-report/3869/>

27 <https://pmg.org.za/taled-committee-report/3870/>

28 National Treasury, 2019 – Key Budget Statistics

With the new Cabinet which was introduced in May 2019, there have been a number of political and policy changes which will affect the operating environment of the DALRRD. Most notably, the merging of the Agriculture with the Rural Development and Land Reform functions in an attempt to consolidate similar functions and optimise expenditure has called for the restructuring and re-imagining of the departments, represented in this Strategic Plan. Further to this, the Revised Framework for Strategic and Annual Performance Plans provided by the Department of Planning, Monitoring and Evaluation has placed increased focus on measuring the impact of state departments, which emphasises the need for DALRRD to target its efforts strategically and efficiently.

The changing political climate also calls for increased coordination between departments, and thus the context of departments with overlapping mandates to DALRRD must be acknowledged. The primary space for coordination within the scope of DALRRD is in the rural development arm of its mandate. Moving forward, the economic and political context of departments providing social services in rural areas, such as the Departments of Health; Human Settlements, Water and Sanitation; Mineral Resources; Public Works and Infrastructure; Small Business Development; Social Development; and Transport.<sup>29</sup> These departments may also face budgetary constraints in the medium to long term, and this will indirectly affect the impact of the DALRRD.<sup>30</sup> From a political perspective, the Commission of Inquiry into State Capture has set a precedent against corruption, which will require departments to better monitor the management of funds and tender processes.<sup>31</sup> Overall, the next five years will require better coordination between departments, a need to optimise expenditure and reduce costs, and an imperative to increase transparency and accountability of government processes.

Taking this into account, it is evident that the macro-economic environment in which DALRRD is operating is characterised by stagnant economic growth, high levels of inequality, and inadequate social services provision. Within this context, the DALRRD is specifically mandated with serving rural population of South Africa. These customers of the department face specific challenges, with access and service provision challenges contributing to rural poverty and underdevelopment. In the face of rapid rural-urban migration, the DALRRD needs to focus specifically on stimulating economic activity and uplifting social conditions in rural areas through its mechanisms of agricultural support, land administration and tenure, and rural development coordination.

29 South African Government, 2019. What are the Government Clusters, and Which Are they?

30 Fitch Solutions, 2019 – South Africa Country Risk Report

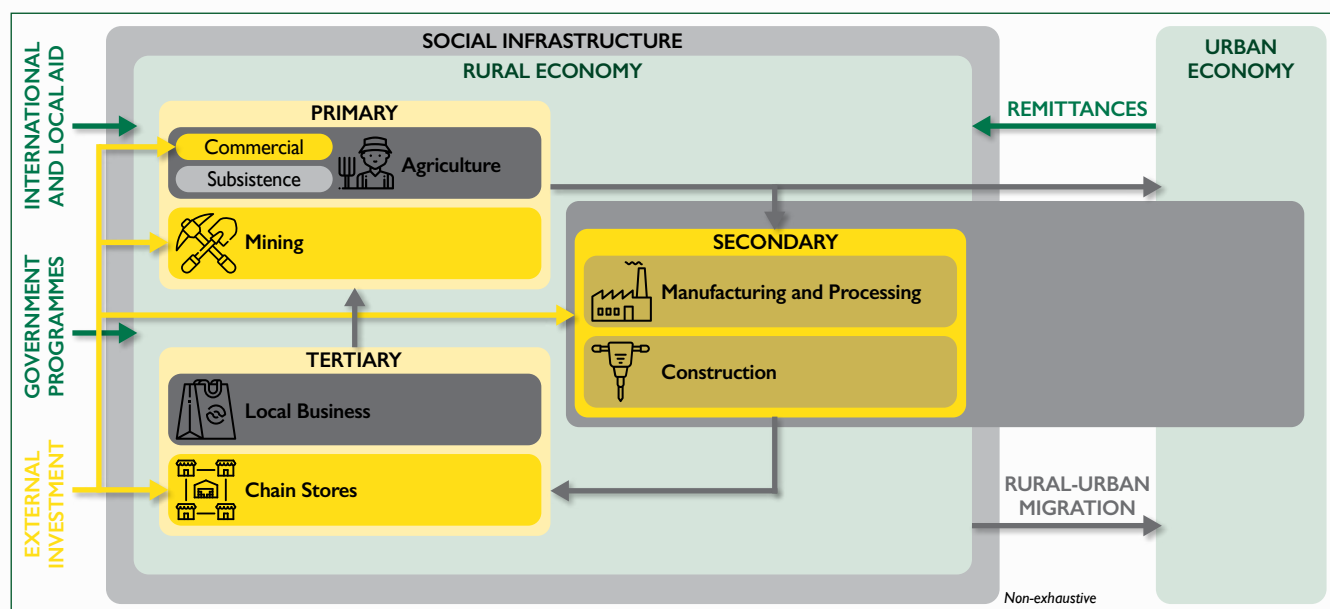
31 Corruption Watch, 2019 – Zondo Commission – Updates, Analysis and Other Material

## The Rural Development landscape

Within this macro-economic environment in which the DALRRD operates, one of the central tenets of the department is to focus on and bolster rural development within South Africa. As has been discussed, approximately 33,7% of the South African population live in rural areas.<sup>32</sup> However, the majority of this population lives in poverty and has poor access to social services such as education and healthcare. In response to the state of rural South Africa, the government, private sector and civil society have acted to socio-economically uplift rural communities through 'rural development'.<sup>33</sup> In order to analyse the landscape of rural development in South Africa, it will be analysed in terms of its economic structure, key stakeholders, as well as emergent trends within the sector.

### Economic Structure of Rural South Africa

Agriculture and mining are traditionally thought to be the foundation of rural economies as these sectors tend to be the key drivers of external investment into rural areas.<sup>34</sup> While this chiefly refers to commercial agriculture, it is worth noting that subsistence agriculture plays an important role in meeting the needs of residents in rural areas.<sup>35</sup> Beyond agriculture and mining, there are also a number of other components of the rural economy which can be leveraged for rural development. While secondary sector activities such as manufacturing, processing and construction are most often developed in urban or peri-urban settings, they also form an important economic driver in rural and semi-rural areas.<sup>36</sup> In terms of the tertiary sector, there are critical activities which support rural communities, in the form of both local business and chain stores. Overall, all these components of the rural economy are interconnected and connected to industrial activity and the urban economy.<sup>37</sup> The reciprocal relationships and various connections between sectors are will be discussed, as illustrated in the figure below.

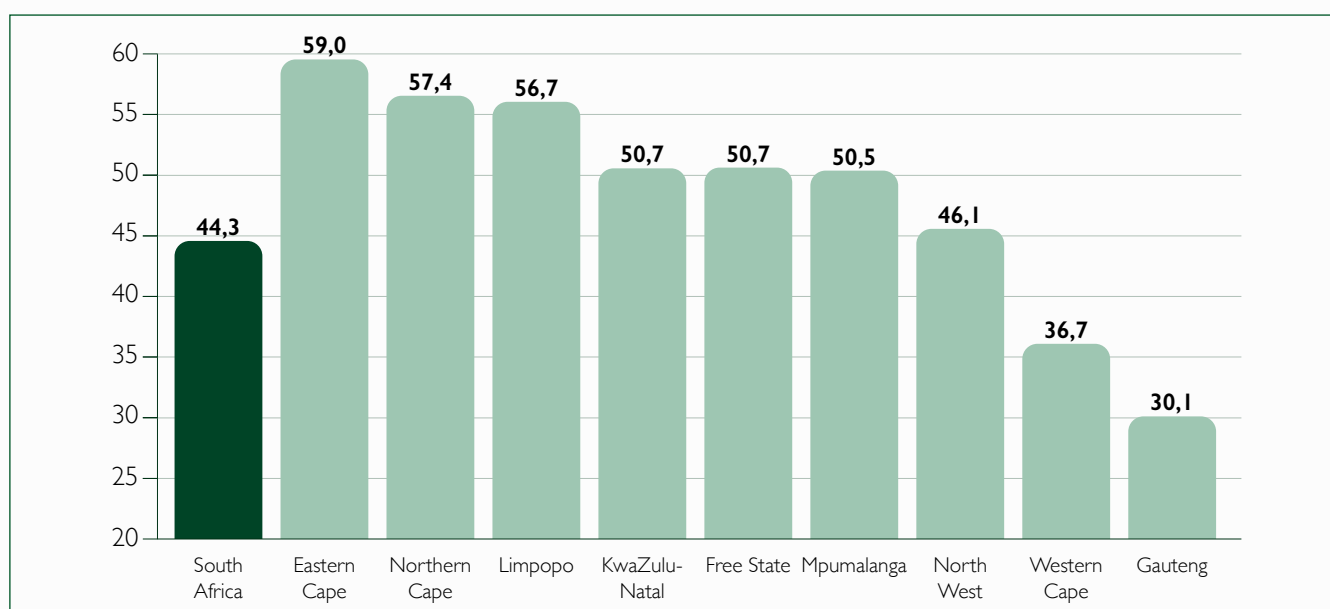


**Figure 8: A diagram illustrating the economic structure of rural South Africa**

- 32 World Bank Data, 2019 – Rural Population (% of total population) in South Africa  
 33 Mabuğu, 2017 – Introduction to Rural Development and Intergovernmental Fiscal Relations  
 34 National Planning Commission – An Integrated and Inclusive Rural Economy  
 35 Maiphethi & Jacobs, 2009 – The Contribution of Subsistence Farming to Food Security in South Africa  
 36 Trade and Industry Portfolio Committee, 2003 – Integrated Manufacturing Strategy  
 37 Hemson, 2004 – Rural Development

As illustrated in the diagram, the two key inflows of support for the social infrastructure aside from external investment are international or local aid and government programmes. In terms of aid, there are a myriad of multilateral, bilateral and local non-governmental organisations – such as the United Nations Development Programme, the Belgian Development Agency, and the Rural Development Support Program – which have programmes in areas of rural South Africa with the aim to contribute to rural development.<sup>38</sup> These stakeholders will be discussed in detail below.

In terms of government intervention, there are various schemes and programmes which support the rural economy. One of the government's largest contributors to the social infrastructure of rural areas is the social grant scheme, which includes financial stipends for old age pensions, child support, care dependency, war veterans, foster child support and disabilities.<sup>39</sup> A total of 44,3% of households in South Africa is receiving at least one grant, the majority of which reside in rural areas.<sup>40</sup> This is illustrated by the provincial illustration of percentages of households benefitting from social grants. As illustrated in the figure below, provinces with a higher rural population such as the Eastern Cape, Northern Cape and Limpopo have a higher proportion of households receiving social grants. This illustrates that social grants play an important role in supporting the social infrastructure of rural economies.



**Figure 9: Percentage of households benefitting from social grants by province, 2018<sup>41</sup>**

As mentioned, external private investment in agriculture and mining sectors have been the basis of rural economies. However, both of these sectors are facing significant challenges in the current macro-economic environment. As agriculture is a central focus of DALRRD, the current opportunities and threats facing this sector will also affect the implementation of the departmental strategy. Despite contributing 7,96% to the country's GDP, the mining sector is facing a number of challenges.<sup>42</sup> Data from the past four years indicates that the mining sector has shrunk by 0,2%, from R 229,3 billion to R228 billion, as illustrated in the figure below.<sup>43</sup> Overall, there has been a 48% decline

38 Various organisation websites

39 Sinyolo, 2016 – The impact of social grants on rural households' incentives to farm, market participation and farm entrepreneurship

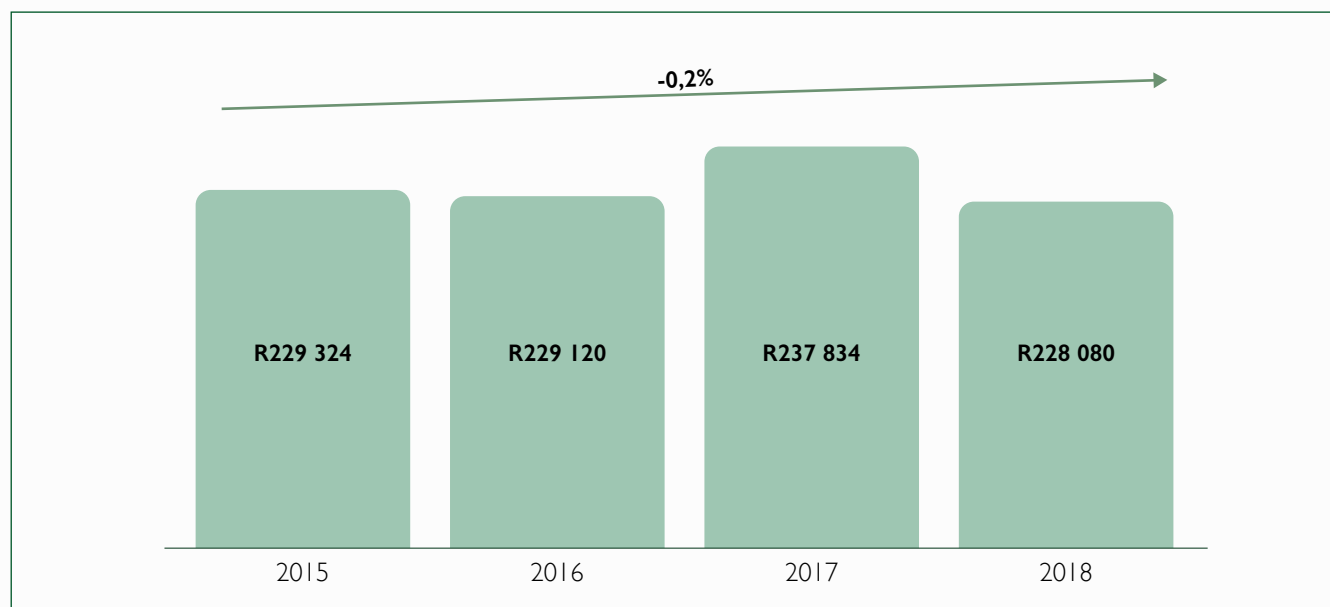
40 StatsSA, 2018 – General Household Survey

41 StatsSA, 2018 – General Household Survey

42 StatsSA, 2018 – Gross Domestic Product, Q3

43 StatsSA, 2018 – Gross Domestic Product, Q3

in industry profits over the past five years, resulting from labour unrest, an unreliable electricity supply, commodity price and exchange rate movements and an overall challenging global economy.<sup>44</sup> This situation has a negative impact on the rural economy of South Africa, as it has led to the shutting down of mines, and the abandonment of mining towns who were founded on the investment by mining companies. This poses a challenge to rural development which needs to be considered by the DALRRD.



**Figure 10: Mining industry value added to GDP (constant 2010 prices, seasonally adjusted and annualised from Q3)<sup>45</sup>**

While the secondary sector is mainly found near urban nodes and in peri-urban areas, the sector still plays an important role in the rural economy in two regards. Firstly, processing, manufacturing and construction all require inputs from the primary sector, and are thus consumers of the outputs of agriculture and mining, alongside the export market.<sup>46</sup> Secondly, the development of the secondary sector in rural areas provides job creation where labour-intensive industries are developed.<sup>47</sup> While urban and coastal areas have been a central focus of Industrial Development Zones (IDZs), the Department of Trade and Industry has also earmarked various Special Economic Zones (SEZs) across rural South Africa. Some of the proposed SEZs include agro-processing in the Eastern Cape and KwaZulu-Natal, Platinum Group Metals (PGMs) in Limpopo and the North West.<sup>48</sup> While the South African manufacturing sector is facing increasing global competition, there may be opportunities to leverage the sector as a mechanism for rural development.

As economic activity in rural areas has increased, there has been an increasing demand for tertiary sector services. Historically, these services have been provided by local businesses through spaza shops or farmer's markets, however this landscaping is changing.<sup>49</sup> Between 1962 and 2009, 160 retail centres were developed nationally in

44 Menton, 2019 – Strikes and Eskom blamed for shrinking mining production

45 StatsSA, 2018 – Gross Domestic Product, Q3

46 Hart, 1996 – The agrarian question and industrial dispersal in South Africa (*The Journal of Peasant Studies*)

47 Hart, 1996 – The agrarian question and industrial dispersal in South Africa (*The Journal of Peasant Studies*)

48 DTI, 2016 – SEZ Performance Analysis Bulletin

49 Rambhai, 2018 – Risky business? Investing in township/rural centres vs urban malls (*Future Growth*)

township and rural areas, generating approximately R34 billion worth of business sales.<sup>50</sup> While the emergence of malls in rural areas has provided employment, chain stores have threatened previously owner-run retail outlets in rural areas. To promote rural development, the DALRRD must navigate these tensions by facilitating adequate support for rural businesses to innovate and adapt to the changing environment.

It is evident that the economic structure of rural South Africa is complex and changing. The rural economy is fundamentally supported by both externally induced and internal economic activity across the primary, secondary and tertiary sectors. Further to this, the support received from government and non-governmental aid play a fundamental role in reducing rural poverty and building on the social infrastructure in rural areas. While rural-urban migration poses a threat to the labour supply in rural areas, the remittances received in rural areas from urban-dwelling family play a critical role in sustaining the rural economy, as do social grants. Given the economic structure of rural South Africa, the DALRRD needs to strategically position itself to make impact in terms of rural development. To do so, an understanding of the stakeholders currently contributing to rural development is needed – and will be discussed next.

50 BizCommunity, 2012 – Retail Outlets in Rural Areas Offer Good Opportunities

## Key Considerations

While urbanisation is resulting in a decreasing proportion of South Africans living in rural areas, rural development remains a strategic and important element of national economic development. As outlined in the National Development Plan, the nation is working towards achieving an inclusive and integrated rural economy.<sup>51</sup> The DALRRD plays a fundamental role in coordinating national efforts to reduce rural poverty and create gainful socio-economic development in rural South Africa. However, as the face of rural South Africa is rapidly changing, there are certain considerations which need to be considered, specific to challenges and trends emerging in the sector. Key considerations for the DALRRD are that:

- **The decreased profitability of the mining sector** may result in less investment in rural communities and potential job losses<sup>52</sup>
- **Agricultural productivity challenges** threaten existing and new farmers, resulting from climate change, increased water scarcity and a lack of training available for new farmers
- **A decreased economically active population in rural areas** further limits economic activity taking place in rural areas, but may result in remittances which supports rural residents<sup>53</sup>
- **Decreased funding and social programmes for South Africa and rural areas:** While South Africa experienced a boom in foreign aid post-1994, this has declined as there is now increasing competition for aid globally, coupled with decreasing their contributions from donors and implementing more rigorous regulations. With the global prioritisation of it will have adverse effects on funding for rural areas in South Africa.<sup>54</sup>
- **The commercialisation of the retail sector in rural areas** has increased competition for previously owner-run businesses

While these considerations illustrate the significant challenges that the DALRRD faces in the rural development landscape, the department is also uniquely positioned to tackle these challenges strategically through the coordination of rural development efforts in the private, public and government sectors.

51 South African national Development Plan Vision 2030

52 StatsSA, 2018 – Gross Domestic Product, Q3

53 StatsSA, 2015 – Living Conditions Survey

54 GreaterCapital, 2018

## The Land Reform Landscape

### Overview

One of the most critical areas of redress in South Africa has been the issue of land. Throughout South Africa's history, dispossession of land has been systemic, embodied in policies such as the Natives Land Act, 1913 (Act No. 27 of 1913), and the Group Areas Act, 1950 (Act No. 41 of 1950) during the Apartheid era.<sup>55</sup> In 1994, it was estimated that 83% of agricultural land was owned by white capital.<sup>56</sup> Thus, from the onset of democracy, land reform as a mechanism for redress has been a focus of the South African government, historically carried out by what is now the Department of Agriculture, Land Reform and Rural Development.

### Policy Environment

Over the past 25 years, there have been a number of policies and legislation put in place in order to implement land reform in South Africa, with approaches sometimes changing under new leadership. Predominantly, the national position on land reform has been a willing buyer-willing seller model mediated by the government, coupled with a legal restitution process. The various policies have been covered in detail in the Legislative Mandates section of this document.

### Progress to Date

In 1994, the South African government set out a target to redistribute 30% (24,7 million hectares) of agricultural land by 2014.<sup>57</sup> South Africa comprises 122 million hectares, of which approximately 82% (100 million hectares) are classified as 'farmland' which has potential to be cultivated.<sup>58</sup> This illustrates that agrarian land reform would need to be a specific focus, not only because it makes up the lion's share of land, but also because of its economic potential to contribute to the agriculture sector. Since 1994, the government has approached land reform through legal restitution processes, which deal with specific land claims, as well as through broader land redistribution policies.

In terms of restitution, the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) set up a Commission on Restitution of Land Rights in 1995.<sup>59</sup> Due to the slow progress made by the Commission, an amendment was then made in 1997, which allowed claimants to directly approach the Land Claims Court and the then Minister of Land Affairs.<sup>60</sup> The deadline for land claims has been shifted four times from 2002, contributing to an increasing backlog of cases. In 2011, it was reported that a total of 76 506 restitution claims were lodged, of which 76 023 have been settled. 82% of these claims were in urban areas, with only 18% being in rural areas, illustrating that agrarian

55 Weiner & Levin, 1991 – Land and Agrarian Transition in South Africa (*Antipode*)

56 StatsSA, 2017 – Regulation of Agricultural Land Bill: Facts, Figures and Content Analysis

57 StatsSA, 2017 – Regulation of Agricultural Land Bill: Facts, Figures and Content Analysis

58 World Wildlife Fund, 2018 – Agriculture: Facts and Trends South Africa

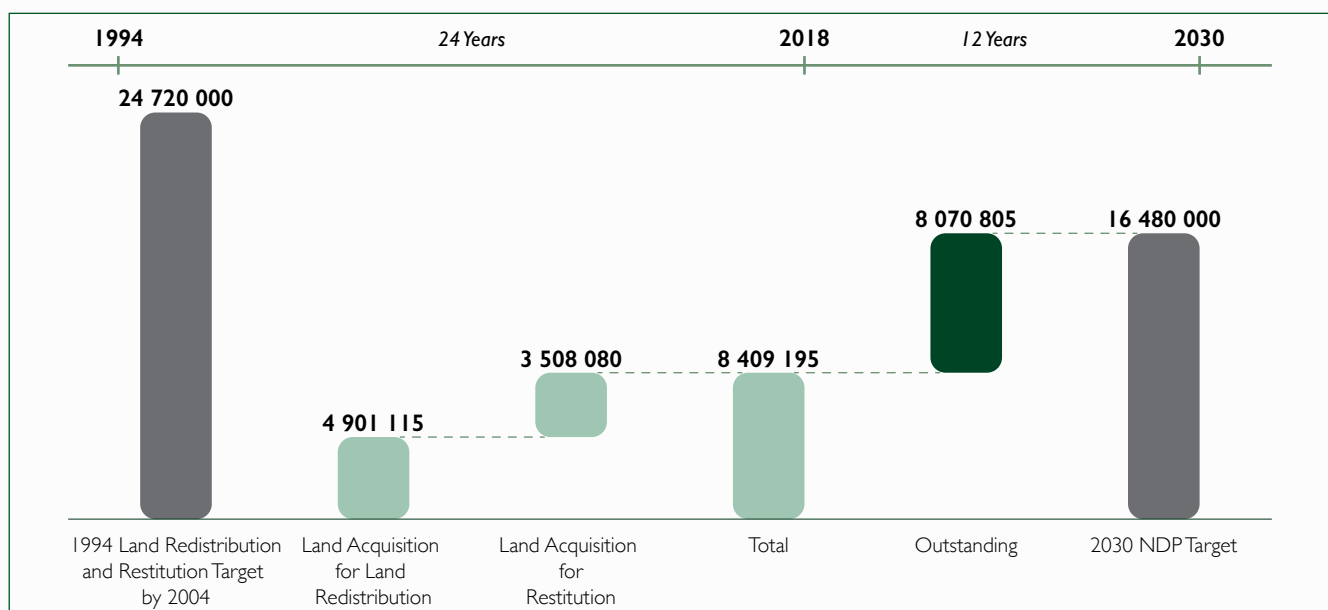
59 South African History Online – Land Restitution in South Africa since 1994

60 South African History Online – Land Restitution in South Africa since 1994

land reform has not necessarily been a focus of restitution regimes.<sup>61</sup> There are several factors contributing to the overall backlog, including conflict among beneficiaries, claims on privately owned land with unwilling sellers, and claims on communal land.

The other lever which the South African government has used to implement land reform is land redistribution. Since 1995, a market-based willing buyer-willing seller model has been adopted, starting with the Settlement/Land Acquisition Grants, which were in place from 1995 to 1999.<sup>62</sup> The grants provided poor households with grants of up to R16 000 to purchase land on the market. However, the grants were overall ineffective in making substantial changes to land ownership patterns, as the amount did not meet market prices for land, and the resultant resource pooling by communities to buy land tended to result in social tensions and inefficiencies. In 2000, the Land Redistribution for Agricultural Development (LRAD) was thus established. This programme focused primarily on redistributing agricultural land to individuals with commercial intentions, providing support to previously disadvantaged commercial farmers.<sup>63</sup>

Despite headway made by both restitution and redistribution programmes, it is estimated that only 9% of South African agricultural land has been redistributed, well below the initial target set of 30%. While this target was adjusted down to 16,5 million hectares (approximately 20%) in the National Development Plan, there is still substantial work to be done by the government to acquire land and redistribute it. This is illustrated in the figure below, which highlights that there are still 8 million hectares (2018) of land outstanding.



**Figure 11: Land Acquisition for Restitution and Redistribution Targets vs Progress<sup>64</sup>**

While the above analysis speaks to the quantity of land which has been redistributed, there is an increasing importance being placed on which land is redistributed. Economic transformation is one of the key objectives

61 Commission on Restitution of Land Rights 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007a, 2008, 2009, 2010, 2011

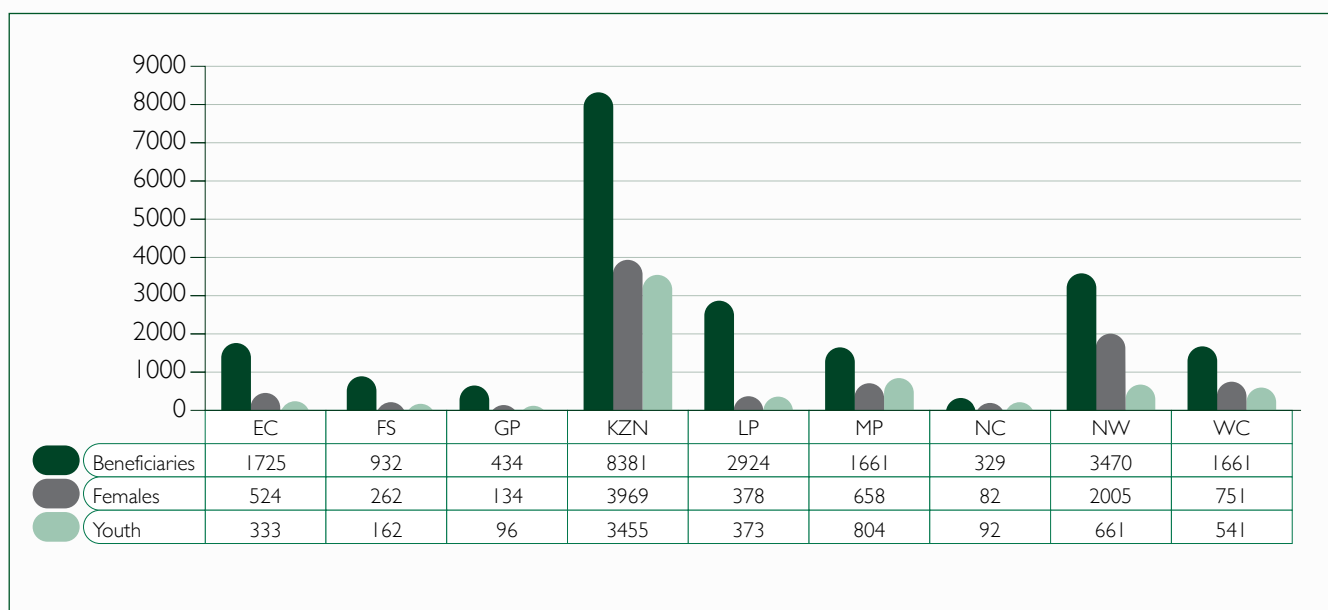
62 Hall, 2004 – A Political Economy of Land Reform in South Africa (*Review of African Political Economy*)

63 Hall, 2004 – A Political Economy of Land Reform in South Africa (*Review of African Political Economy*)

64 StatsSA, 2017 – Regulation of Agricultural Land Bill: Facts, Figures and Content Analysis

of land reform, and so land redistributed needs to be productive for the recipient, to promote profitability and economic prosperity.<sup>65</sup> Due to the market forces at play in the willing buyer-willing seller model, the most unproductive pieces of land have been redistributed. This is illustrated when the economic distribution of land acquired for redistribution and restitution is examined, as shown in the figure below. It is evident that a large amount of land has been acquired is in the Northern Cape, however, this province consists of mainly dry and relatively unproductive land.<sup>66</sup>

While most of the land distributed has been in the Northern Cape, the highest number of beneficiaries from redistribution has been in KwaZulu-Natal, indicating that smaller pieces of land may have been distributed to more individuals. As illustrated in the figure below, there have been 8 381 beneficiaries on KwaZulu-Natal between 2009 and 2017, which constitutes approximately 39% the total beneficiary population.<sup>67</sup> Of the total 21 517 beneficiaries, only 40,7% (8 763 beneficiaries) have been women, and only 30,3% (6 517 beneficiaries) have been youth. These demographic dimensions illuminate a potential challenge regarding the ability for land reform to create substantial economic transformation and equity in the country. To substantially transform the country's economic structure, land reform must be conducted in a gender-sensitive manner that provides the economically active population an opportunity to improve the agricultural productivity of South African land. This must be considered by DALRRD as it develops its strategy for the next five years.



**Figure 12: Provincial and Demographic Distribution of Land Reform Beneficiaries for 2009 - 2017<sup>68</sup>**

65 Sibanda, 2001 – Land Reform and Poverty Alleviation in South Africa

66 DRDLR, 2018 – Department Strategy

67 Commission for Gender Equality, 2009 – A Gendered Analysis of Land Reform Policy and Implementation Outcome in South Africa

68 Commission for Gender Equality, 2009 – A Gendered Analysis of Land Reform Policy and Implementation Outcome in South Africa

## Recent Developments

To accelerate the land reform process, there has been a political shift to allow land expropriation without compensation. In this regard, the Parliament's Constitutional Review Committee held public hearings in 2018 to input into the proposed amendment to Section 25 of the Constitution. The draft bill to change the constitution follows on from the initial Expropriation Bill of 2015, which has been amended and is now open for public comment before it gets passed into law.<sup>69</sup> The most significant addition of the Expropriation Bill of 2019 is that it specifies that five types of land may be expropriated for nil compensation: land occupied by a labour tenant, land held for speculative purposes, land owned by state-owned entities, abandoned land and land with a lesser value than the state subsidies it received.<sup>70</sup> Two important elements to note regarding the Bill are that "nil" does not necessarily mean no compensation, but rather a "just and equitable" price; and secondly, that homes and productive agricultural land are not included in the list.<sup>71</sup>

Despite the current attempts to accelerate the land reform process in South Africa, there are still significant challenges which need to be tackled by DALRRD over the next five years. primarily, the key challenges are:<sup>72</sup>

- **A lack of political consensus on how to approach land reform:** With the current climate, political parties and members of parliament are divided in terms of how land reform should be approached. This has resulted in several different policies being adopted over the past twenty-five years with changing approaches, which limits the potential for a follow-through
- **Difficult and lengthy land acquisition processes:** Under the willing buyer-willing seller model, land acquisitions are essentially supply-driven, which means that prices are high, and negotiation takes time, hindering land acquisition requirements
- **The restitution and redistribution processes face various dilemmas:** While these processes intend to redress land inequity, the desired outcomes do not always occur, specifically because:
  - **there is a lack of capacity in the system:** The amount of land claims received is challenging to deal with given the capacity of the department as well as the legal systems in place
  - **financial compensation is often an outcome of restitution processes:** While this means that redress does occur, it does not address the central issue of land equity within the country
  - **water rights are separated from restituted land:** Access to water is not necessarily guaranteed in processes where land is claimed through restitution.
- **Land recipients face a myriad of challenges:** It has been seen that in many cases where land is redistributed, its productivity declines due to the segmentation of land and limited training. While this is being addressed gradually by the DALRRD, more support is needed for land reform beneficiaries to ensure that the objective of economic transformation is met through land reform by increasing productivity and thus profitability of agricultural land

69 gerber, 2019 – Land Expropriation: Bill to amend Constitution Expected in December

70 du Plessis, 2019 – Expropriation Bill: Striking a balance in land reform

71 du Plessis, 2019 – Expropriation Bill: Striking a balance in land reform

72 Department of Rural Development and Land Reform, 2013 – Land Tenure Security Policy for Commercial Farming Areas

It is evident that land reform is both politically charged and crucial to equity in South Africa. While progress is still behind the 16,5-million-hectare target which was set in the National Development Plan, there are key elements of the current landscape which will enable the DALRRD to accelerate the process and achieve the aims of redress and economic transformation. Taking into account the key challenges facing land reform in South Africa – notably the difficulties in the acquisition, restitution and redistribution processes, the DALRRD must work towards improving the effectiveness and efficiency of its land reform processes. Further to this, the merging of the two departments provides a unique opportunity to tackle the productivity challenge which has been a key hindrance to accelerating economic transformation in the agriculture sector. Taking this into account, the agriculture landscape will now be analysed.

## The Agriculture Landscape

### Overview

The global agricultural operating environment is currently facing several critical changes. Brexit and the trade war between the United States and China have already been changing global trade flows. Further to this, Europe's environmental protection laws as well as sanitary and phytosanitary regulations are getting stricter and trade in Africa remains influenced by protectionism, high transaction costs and ad-hoc policy applications. Within this context, close collaboration with the private sector and agile responses by governments will contribute to success in the global markets.<sup>73</sup> The DALRRD must ensure that over the next five years, it is prepared for rapid social, economic and technological change.

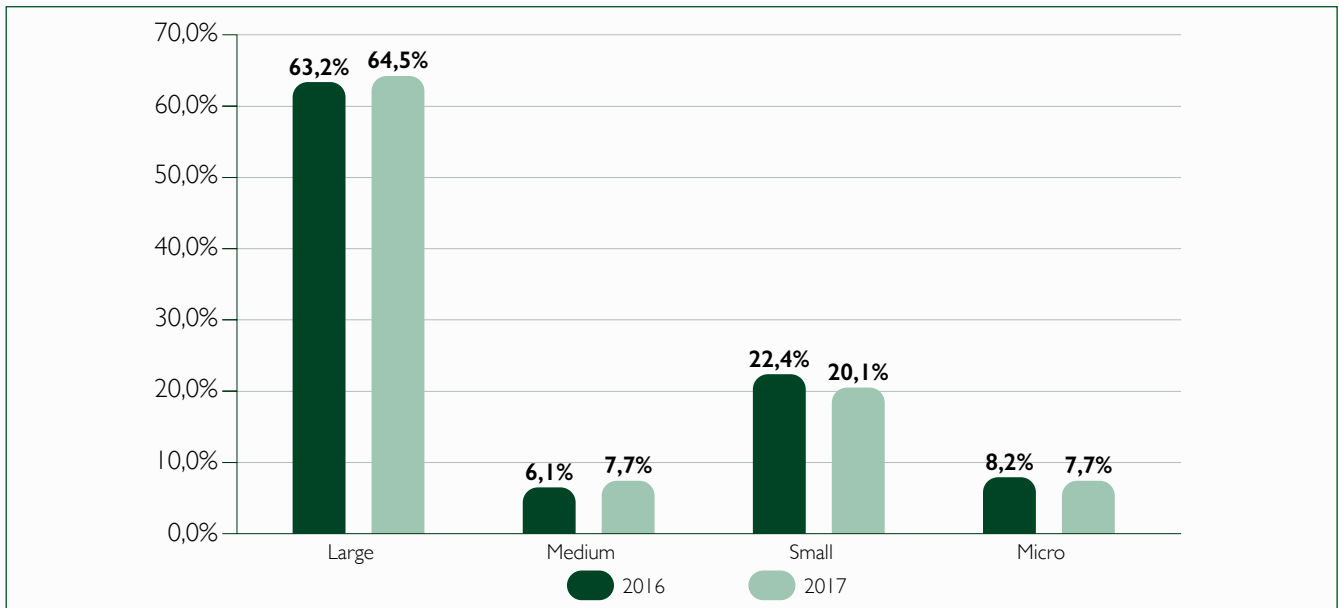
Within this global context, South Africa's agriculture sector has the characteristic of having more mechanisation and technological application than other African countries. The sector contributes to less than five percent of South Africa's GDP and provides employment to close to six percent of the total labour force.<sup>74</sup> All elements of the agricultural value chain, including production, research, transport, manufacturing, retail and waste of agricultural products are at a vital point of change. There is growing discourse and attention being paid to in terms of impacts on health and wellbeing, nutrition and the environment. Within this context, national policy aims to accomplish sustainable and inclusive economic growth whilst feeding a growing population and reducing disparities regarding land ownership and distribution.<sup>75</sup>

According to a survey conducted by Statistics South Africa for the years 2016 and 2017, the largest contributors to agricultural income are large and small agricultural enterprises contributing R195,1 billion and R60,6 billion respectively in 2017. Medium and micro enterprises both contributed similarly with R23,3 billion and R23,2 billion respectively. The following figure shows the percentage contribution to agricultural income accruing to enterprise size.

73 BFAP, 2019, BFAP Baseline, Agricultural Outlook 2019-2028

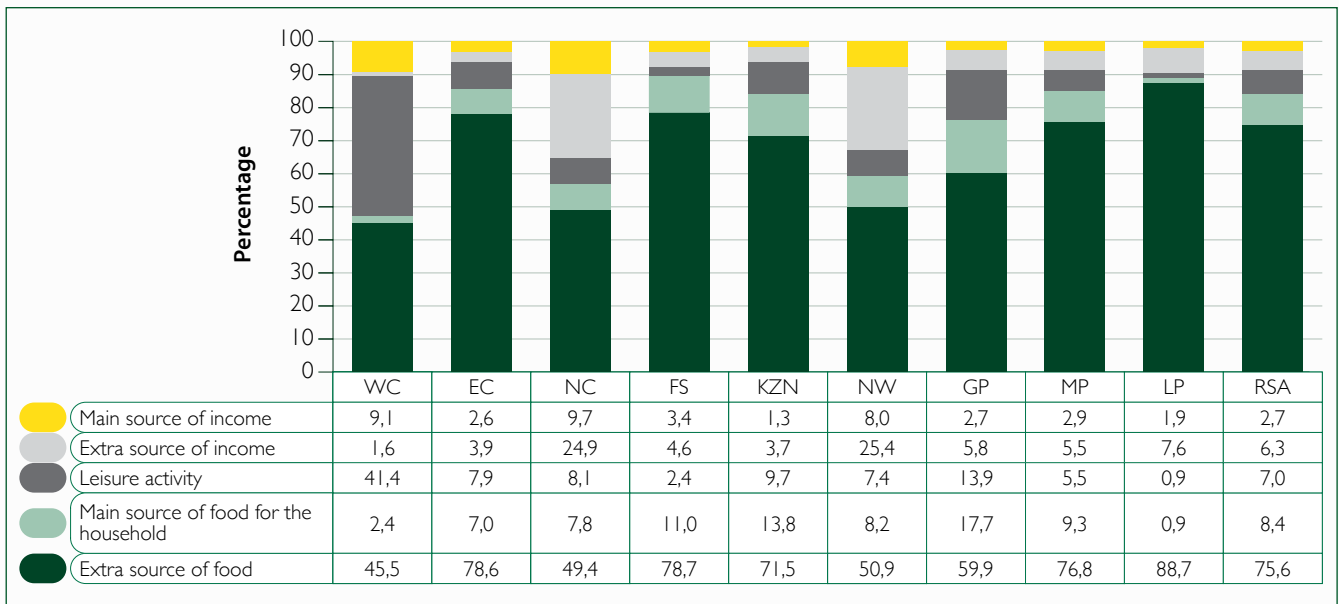
74 StatsSA, 2018 - Quarterly Gross Domestic Product Review

75 GCRF AFRICAP, 2018, Report on the GCRF-AFRICAP participatory scenarios workshop



**Figure 13: Percentage contribution to income of the agriculture and related services industry according to enterprise size for 2016 and 2017**

Subsistence agriculture plays an important role in food security for the nation. According to the General Household Survey for 2018, of all the households that are involved in agricultural activities, 75,6% sought to secure additional sources of food through subsistence activities<sup>76</sup>. As seen in the following figure from the mentioned survey, relatively larger percentages of households in the Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga and Limpopo practised agricultural activities to increase their existing sources of food.



**Figure 14: Distribution of main reasons for agricultural activities by households in provinces, 2018<sup>77</sup>**

76 StatsSA, 2018 – General Household Survey

77 StatsSA, 2018 – General Household Survey

In general, the South African consumer base is characterised by socio-economic and cultural diversity, high levels of income inequality, a young population and persistent urbanisation. The macroeconomic environment contributes to difficulties faced by households such as high levels of unemployment and increasing debt. Restricted access to food is a reality faced by 25% of people.

Over the next five years, various trends affect the future of the agricultural sector in South Africa, a few of which are: social and economic development, environmental governance and focus of sustainable food production/practices, demographic shifts and urbanisation, changing dietary patterns and requirements, as well as the accepting and dissemination of technologies. The uncertainty around the forthcoming trajectory of these trends and the potential impact on production and food security, should be considered in decision and policy-making. To establish how suited policy is to this changing environment, an analysis of the current agricultural policy environment will follow.

## Policy Environment

South Africa's agricultural sector is guided by several policies and legislation, which include the following:

There have recently been a few legislative updates that relate to the agricultural sector which should be considered, specifically regarding water, carbon tax, land reform, conservation and climate change:<sup>78</sup>

- **Water:** Regulations were greatly influenced in 2018 by the continued drought conditions experienced throughout South Africa. There was a need for water users to significantly decrease water consumption, supervise their usage of water and to comply with enforcements of metering installation and reporting requirements as defined by the National Department of Water and Sanitation (DWS). There have been restrictions imposed on general water usage, particularly in the Western Cape, and by December 2018, upon substantial recovery in capacity of the Western Cape Water Supply System, the DWS made the decision to reduce but still maintain water restrictions, which overall resulted in a 10% water usage restriction for agriculture. In January 2018, the DWS posed restrictions on groundwater use, within the same areas, and decreased groundwater abstraction rates by 60%. All water users were required to implement electronic water measurement instruments to monitor their water usage, abstraction and storage rates so that these records could be submitted to the DWS weekly. Despite the significant restrictions, agricultural users have managed to reduce water usage, adapted to produce crops with higher returns and have introduced technologies regarding water-efficiency to monitor usage. The DWS provided the Western Cape with decision-making instructions regarding the control of dam release rates and held irrigation boards and water use associations responsible for water metering, reporting and monitoring. On 26 October 2018, the Western Cape High Court legalised the Lower Berg Irrigation Board approving requests for the transfer of water rights temporarily between farms, meaning that irrigation boards will be empowered again to take decisions regarding water use.
- **Carbon tax:** The Carbon Tax Bill was implemented on 1 June 2019. Agriculture and other land use and waste sectors will be exempted from direct greenhouse gas emission taxes during the first phase of

78 GreenCape, 2019, Sustainable Agriculture-2019 Market Intelligence Report

implementation, which ends in 2022, however indirect taxes will apply for fuel and energy usage. Phase two of implementation will have adjusted taxation measures based on a review of the first phase.<sup>79</sup> Following 2022, sectors with carbon dioxide equivalent emissions exceeding 100 000 tonnes are expected to be taxed. Few agricultural enterprises are expected to be taxed as the threshold requirement for taxation is relatively high. However, sectors related to agriculture, such as logistics and inputs for agriculture, will be taxed and thereby provide secondary tax implications for the agriculture sector. Despite the financial implications posed by the Carbon Tax Bill, it also poses an incentive for the shift to alternative climate smart agricultural practices.

- **Land reform:** As has been discussed above, there has been a spotlight on land reform policy following the public hearings for the Expropriation Bill. However, the State has declared that commercial farms that contribute to the products in the agricultural-food market, will be exempt from the land expropriation policy. Regardless of this, it is expected that investor confidence will be influenced by the policy.
- **Conservation agriculture:** In February 2018, a Draft Conservation Agriculture Policy was released. It has been recognised that conventional farming mechanisms are not sustainable, and the policy aims to encourage and establish ecologically and financially sustainable systems to enhance food security. These systems should foster cooperation between conservation, agricultural production and enhancement of rural livelihoods.
- **Climate-smart agriculture:** In August 2018, the then Department of Agriculture, Forestry and Fisheries issued a draft Climate Smart Agriculture (CSA) Framework, which outlines the part of CSA procedures in combating problems facing the agricultural sector that are related to climate change. Emphasis is placed on the significance of incorporating mitigation and adaptive strategies into production processes as well as the requirement of resource investment in indigenous knowledge systems. The framework is suggested to guide government, developmental partners and investors whilst integrating CSA into projects and initiatives.

Within this policy context, the DALRRD is mandated with overseeing the development of agriculture, playing a coordinating role of various stakeholders across the agricultural value chain. An analysis of the various stakeholders is thus conducted below.

79 National Treasury, 2019, Publication of the 2019 Carbon Tax Act

## Stakeholder Analysis

To understand the key players in the agricultural sector, an understanding of the value chain is necessary. As illustrated below, the agricultural value chain is largely dominated by large companies, especially in terms of distribution and retail, with limited participation from rural communities.

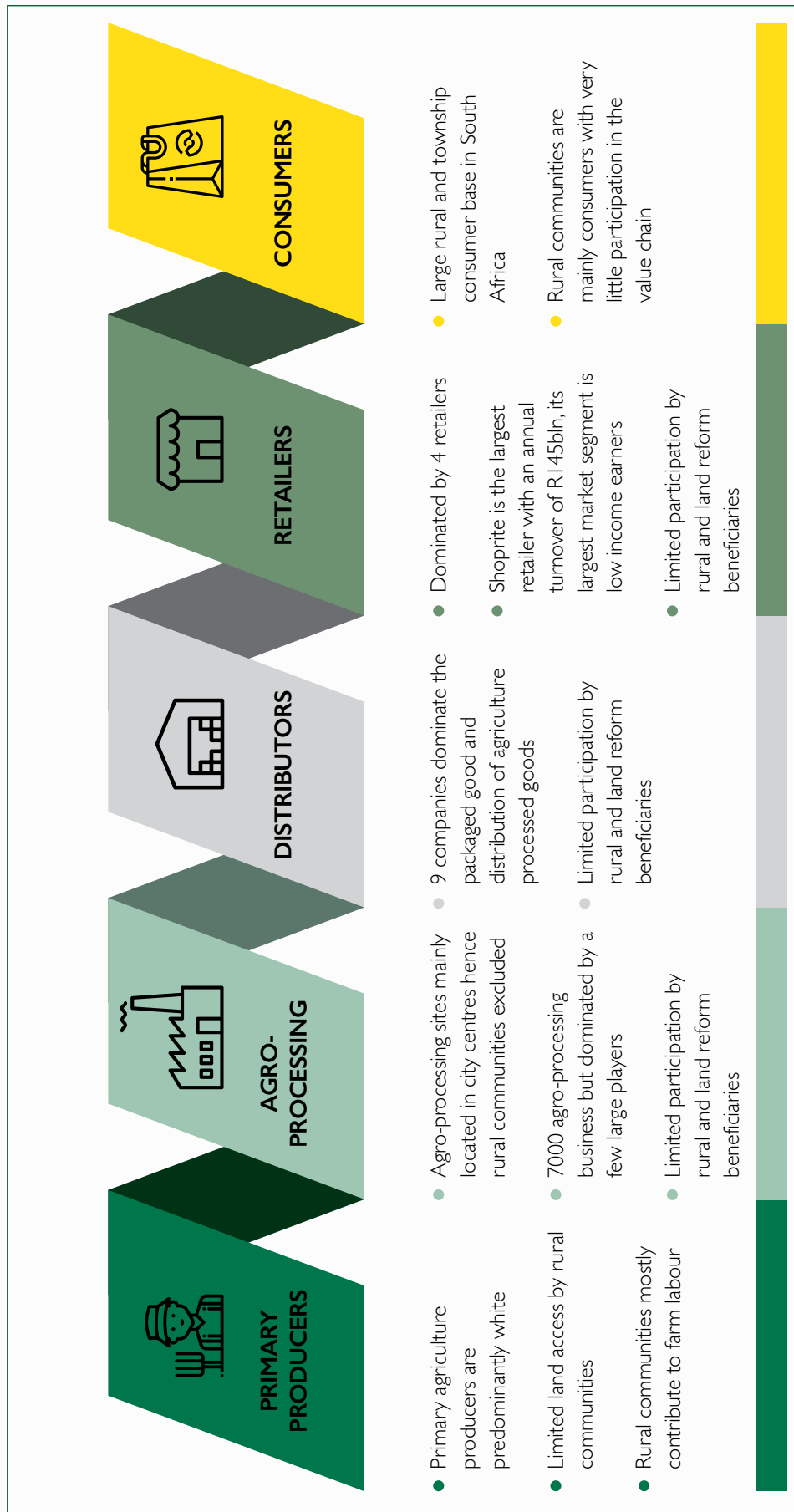
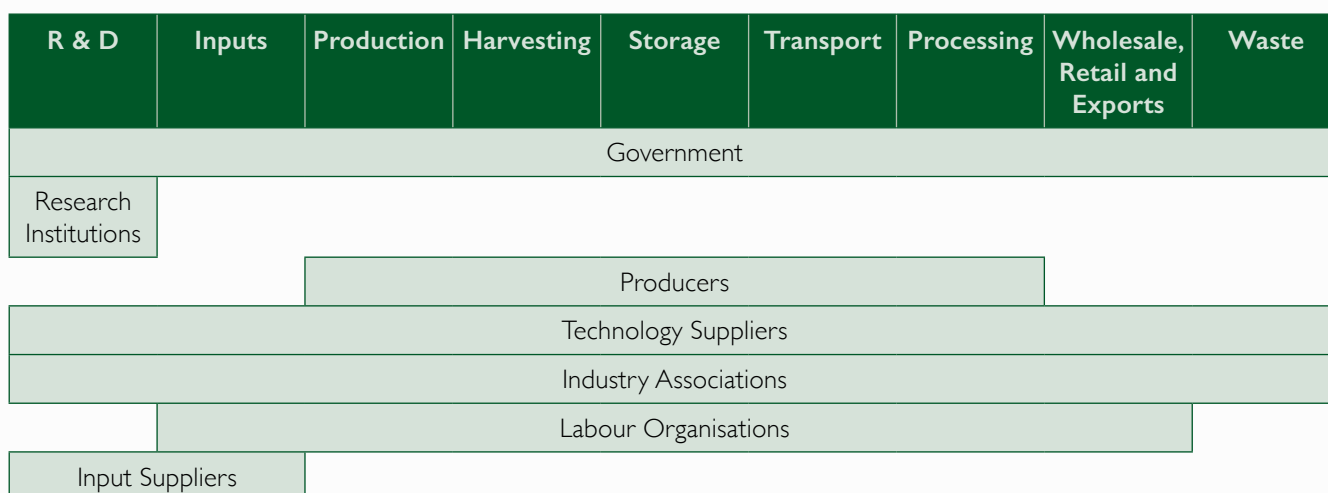


Figure 15: Agricultural value chain participation in rural areas

Key stakeholders across the entire agricultural sector involve consumers of agricultural products, international competitors and similar organisations/individuals of the role players in the agricultural sector; rural residents who may be affected by agricultural activities and the media who communicate information among stakeholders. Key stakeholders/ role players across the value chain of the agricultural sector can be divided into seven categories as show in the figure below and involve the following:<sup>80</sup>

- **Government:** The Department of Agriculture, Land Reform and Rural Development (DALRRD) is responsible for the governance of the entire industry.
- **Research Institutions:** Organisations that undertake investigations regarding all aspects of the value chain.
- **Producers:** This category includes both large scale and small-scale farmers who, in most cases, carry out their own harvesting, storage and transportation, and others who produce, process and/or distribute agricultural commodities.
- **Technology Suppliers:** Involves the suppliers of equipment and innovative solutions to be used across the value chain.
- **Industry Associations:** These are organisations that support farmers/producers with the applicable and reliable information involving regulations, logistics, cultivar developments etc., as well as being involved in or supports research for various agricultural topics.
- **Labour Organisations:** Organisations which support employees across the agricultural sector by aiding in attaining the best possible social and financial positions in employment.
- **Input Suppliers:** Producers of agricultural inputs such as seeds, fertiliser, pesticides, packaging and machinery.



80 GreenCape, 2019, Sustainable Agriculture, Market Intelligence Report

## Agricultural Commodities

South Africa's agricultural industry is vastly diversified, comprising the production of crops, livestock farming and value-added activities such as slaughtering, processing and preserving of fruit, vegetables and meat, production of dairy products, grain mill products, crushing of oilseeds, preparation of animal feeds, sugar and cocoa refining as well as other foodstuff production. The major outputs of the South African agriculture sector have been analysed in terms of:

- a) summer crops for grains and oilseed;
- b) winter crops for grains and oilseed;
- c) sugarcane and sugar;
- d) meat, wool and eggs;
- e) milk and dairy products;
- f) potatoes;
- g) fruit; and
- h) wine grapes and wine.

### Summer field crops for grains and oilseed

In 2019, the yield expectations for field crops are lower than in 2018 for all summer crops. Estimates from the Crop Estimate Committee (CEC) expect a 10.9-million-ton harvest which is 13% less from 2018. This, in combination with the 2.7 million tonnes of stock on 1 May 2019, is enough for domestic consumption and expected exports are set to be close to over a million tonnes in the marketing season.

Looking at the next decade, distinct and substantial differences for the demand of different summer crops will emerge. White maize and sorghum chiefly consumed as food, while the bulk of yellow maize is dedicated to the animal feed industry. Majority of oilseeds such as sunflower and soybeans are crushed to produce vegetable oil and protein meal. Given their usage, dietary diversification is anticipated to decrease and the combination of an expanding population and demand for meat products dictate that the projected demand for summer grains will increase, particularly for yellow maize.

### Winter field crops for grains and oilseed

Following a period of sustained decrease, wheat has stabilised over the previous five years. Neither wheat nor barely are expected to expand significantly in irrigated areas owing to various alternative crops, such as pecan nuts, being too strong of competition. A 25% increase in wheat production is expected and the wheat share of imported products is anticipated to decline marginally in the next decade. In the case of barley, South Africa is close to being self-sufficient in its production as with the canola production in recent years and the expected capability for this to be sustained.

## Sugarcane and Sugar

Tariff free imports in combination with the imposed Health Promotions Levy (HPL) has had major impact on production and market demand. Revenue from the sugar industry has been reduced by close to R 1.5 billion and export earnings have been realised at below production costs. Declining profit margins have encouraged sugarcane farmers to diversify into other long-term crops such as avocados, macadamias, citrus fruit etc. It is anticipated that mills may be forced to close down in coastal production regions. It will become vital for government and industry to consider alternatives that will aid in converting export sugar into more lucrative products such as ethanol through a biofuel regime or consideration for electricity cogeneration must be made.

## Meat, wool and eggs

In 2018, various meat markets were impacted by several factors such as the listeriosis outbreak which caused temporary closure of some processing facilities and reduced the demand for pork. The pork industry saw an overall average 12% decrease in prices since 2017. Higher global prices for sheep and poultry meat, combined with the substitution effect, sustained a five percent and six percent increase in domestic poultry and lamb prices respectively in 2018. Regardless of limited supply, beef prices during the first half of 2019 traded 10% less than for the first half of 2018, owing to the outbreak of Foot and Mouth Disease (FMD) and the diversion of export products into the local market, where spending power has been under significant pressure.

In the past decade, South Africa has been one of the leading wool production and export countries, with the gross value of wool in South Africa increasing by 203%. Unfortunately, in 2019, the FMD outbreak stalled South Africa's exports into China and high stock volumes were resulting for the wool industry. In the next decade, production is anticipated to increase, however, at a marginally slower rate than the past decade resulting from difficulties relating to livestock theft and predation as well as expected decrease in export rates.

With respect to eggs, the industry is still recuperating from the Avian Influenza outbreak in 2017, which caused close to 20% of layer flock being culled across the country. Farmers are concerned with the absence of a strategy for vaccinations, with only culling as a means of control for future outbreaks.

## Milk and dairy products

The number of producers of milk have reduced over the past decade however production from this industry is expected to increase. Raw milk production is seasonal and is also impacted by cost of feed. Fluctuations in production levels and the industry's small contribution to internationally traded products, results in volatile prices.

The national dairy market is comprised of two sectors, 62% are liquid products and 38% are processed concentrate products. The production for both fluid milk production and processed concentrate products is expected to increase gradually over the next decade.

## Potatoes

Potato production has historically increased in South Africa with a forecast to further increase in future. Potato prices are determined by domestic supply and demand dynamics since potatoes are not usually traded in bulk, making prices sensitive to weather conditions. In the upcoming decade, production is expected to increase by an average of 0.7% annually attributed to higher yields.

## Fruit

South Africa's fruit sector comprises mainly of citrus, table grapes, pome and stone fruit. Of total fruit production, 50% of total hectares are cultivated in the Western Cape and the rest spread out between Limpopo, Mpumalanga, North West, KwaZulu-Natal, the Eastern cape and the Northern Cape. The fruit sector faces a major challenge with respect to water availability and has initiated the creation of innovative solutions, such as night irrigation, different irrigation types and netting to reduce evaporation of water. The EU and the UK are the export areas of choice for South African fruit. However, the demand in these regions is slowing, due to decreased population growth. It is vital that access to new markets are obtained, where there is growth in demand and consumers have strong buying power.

No major deviations expected for domestic consumption and processing for fruit in upcoming years are expected. Consumption of pears per capita is following the same trend for the past 20 years and apple consumption has been relatively consistent as well. Nectarines and plums are expected to increase in production, despite the period of drought, where producers will most likely choose to irrigate plum trees instead of other orchards, owing to plum's export potential and greater impact on the bottom line. As a result of this, other stone fruit such as peaches and apricots will experience a decline in local market share, and this has already been seen.

## Wine grapes and wine

During the period of 2005 to 2015, South African wine production grew quickly, however, increase in exports and domestic consumption were limited, giving rise to a time of stock accumulation, decrease in prices and a resulting lack of competitiveness as compared with other horticultural products. Regardless of the challenges that have been faced, the wine industry is still one of the greatest contributors to income from agricultural products. In light of declining production, additional value strategies must be put into place. Domestically, accurate segmentation is crucial, while sustaining exploitation of opportunities for wine tourism.

## *Threats and Opportunities*

Growth in the agricultural sector has been slow and this is unlikely to change during the following decade. This highlights the need for an encouraging investment environment and therefore, highlights the requirement of an effective land reform programme which will maintain lawful integrity of market dealings while tackling the country's past legacy of dispossession.

The agriculture sector in South Africa faces a number of vulnerabilities, which include; crop losses, rising input costs, unemployment rates, marginalised small-scale farmers and increasing food demand.

While these vulnerabilities should be a focus of the DALRRD, there are also several market opportunities in the sector, which could contribute positively to the revitalisation of agriculture in South Africa. These opportunities include; sustainable agriculture, renewable energy for agriculture, alternative waste treatment, water usage efficiency and symbiosis programme mapping.

There is a need to improve resilience, sustainability and market connectivity to address the challenges facing the agricultural sector. There are various initiatives that can be taken to build the agriculture sector within South Africa to increase productivity and profitability. The DALRRD can leverage the success of these initiatives to ensure that the agriculture sector contributes meaningfully to economic growth, employment and poverty reduction in South Africa.

# INTERNAL ENVIRONMENT ANALYSIS

## *Background on the merger of the two departments to form DALRRD*

On 29 May 2019, President Cyril Ramaphosa announced the appointment of a reconfigured national executive, following the general elections. The president committed to a process of further reforms to “promote coherence, better coordination and improved efficiency” of government.

The president then announced a new department, i.e. Department of Agriculture, Land Reform and Rural Development (DALRRD), which is a merger between the agriculture segment of the Department of Agriculture, Forestry and Fisheries (DAFF), and the Department of Rural Development and Land Reform (DRDLR)<sup>81</sup>. This meant that only the agricultural segment was merged with DRDLR.

The key priorities of the Sixth Administration as highlighted in the president’s State of the Nation Address with regards to DALRRD are as follows:

- **Land Restitution:** There will be focus on the land restitution cases that have not been resolved since 1998;
- **Labour tenants’ claims:** There will be a resolution of labour tenants’ claims to ensure that their land rights are addressed not only in law, but also in how they can utilise that land for their livelihoods;
- **Agricultural activity:** There will be measures taken to increase the market share of black producers in the various sectors of the agricultural economy, be it at a primary production level or in the agri-business industry;
- **Rural development:** the department will build infrastructure that will support farmer production units located in the 44 districts of the country and social infrastructure such as rural roads;
- **Social development:** There will be a speedy release of state land for human settlement as well as agricultural development;
- **Deeds registrations:** In transforming the deeds registry to record the land rights in SA, the department would look at developing policy for this purpose. This would be supported by tenure legislation in the case of unrecorded rights in communal areas.

With the formation of the merged department, the strategic objectives will be streamlined; duplication of duties avoided; and collaborative effort used to successfully execute the mandate. A better level of performance is, therefore, expected from the merged department.

81 Nationalgovernment.co.za

Other benefits for the reconfiguration include the following:

- The department will have an organisational structure that ensures limited duplication of duties and tasks.
- A lean and focused organisation will ensure successful execution of mandate with a smaller budget.
- Collective efforts in smallholder development support will increase smallholder participation in dynamic markets.

Following the reconfiguration of the government departments, the department (DALRRD) embarked on reconfiguration process. Six work streams were identified, focusing on integrating human resources, finance, Information and Communication Technology (ICT), communication, administration and legal processes into the new department.

Human resources embarked on developing the macro and micro start-up structure. These were endorsed by the minister of the department and concurred by the minister of Public Service and Administration. Both DAFF and DRDLR staff will be transferred into DALRRD with existing conditions of service and retain those conditions of service until reviewing takes place. The matching and placing process for SMS members has been completed. The process was done in line with the criteria as outlined in Resolution 1 of 2019.

The department reviewed policies from the old departments to ensure seamless transition for the new department. A total of 36 human resource policies were successfully reviewed and are awaiting consultation with organised labour. Financial management services successfully reviewed 18 policies; financial delegations and the Standard Operating Procedures (SOPs). The reviewed policies should be in place for the new department by 01 April 2020. The department will further develop a new operating model, which will ensure that the structure, processes and technology are integrated to deliver on the strategy.

The department adheres to gender-responsive planning, budgeting, monitoring, evaluation and auditing approved in February 2020. All projects affecting beneficiaries, where applicable, will be disaggregated according to youth, women and persons with disabilities.

## SWOT analysis of DALRRD

The departments collaboratively reflected on the operating environment and the internal environment and came up with a SWOT analysis to identify key opportunities and risks that they should address.

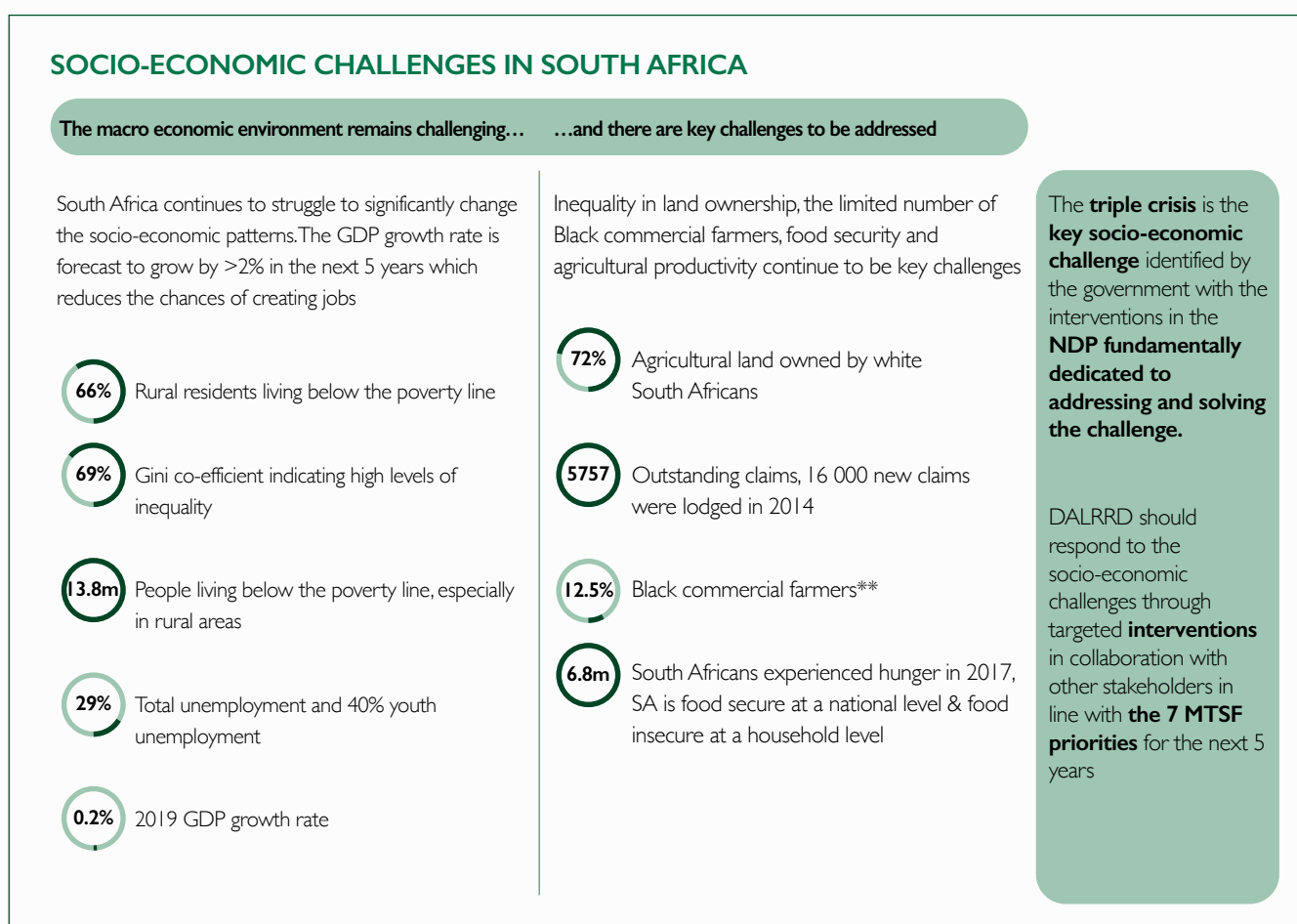


Figure 16: SWOT overview of the department

## Strategic focus areas for the DALRRD

The first step in being lean and organised for execution was the merging of the former Department of Agriculture and the Department of Rural Development and Land Reform. The new Department of Agriculture, Land Reform and Rural Development has complementary resources with the requisite skills to address the land reform, agriculture and rural development challenges in a focused manner.

South Africa has been unable to generate economic momentum and is consequently deeply affected by the 'triple crisis' of inequality, unemployment and poverty. To abate the triple crisis, stimulate the economy and meet the goals of the NDP, President Ramaphosa has called for a focused approach on achieving the seven priority areas of the MTSF in the next five years. In line with this strategy, the department will be more focused on the allocation of resources towards contributing to the bigger picture in the country. There is a need to re-purpose as a department and re-define the focus areas that will derive the highest impact.



**Figure 17: Socio-economic challenges in South Africa**

The 2007 Census of Commercial Agriculture reported 39 966 commercial farms as active. (Source: StatsSA. StatsSA is currently undertaking Census of Commercial Agriculture 2017, which will soon be released in 2020).

There is currently no statistics in terms of the number black producers in SA. These statistics will be available once the farmer register, that the department is developing, has been completed. Even with the lack of this information, it cannot be denied that the previous regime had deliberately developed and enforced a system that was linked to racial division in every sphere. The apartheid state deliberately excluded black people from opportunities in the labour market and direct ownership of businesses and land. The system denied investments in infrastructure and services in Black communities, as such Black entrepreneurs were denied access to industrial and retail sites, as well as credit. Furthermore, apartheid limited the residential rights of Africans in the economically developed areas of the country, unless they had a white employer, creating a system of migrant labour and impoverished rural areas – the so-called “homelands” – that were characterised by extraordinarily high levels of poverty and joblessness.

There has been limited progress in agrarian reform since independence in 1994, mainly due to adverse effects of post-1994 macroeconomic policy choices on Black agricultural producers. The development of farming for the vast majority of South Africans involved in some level of agricultural production has become nearly impossible due to liberalisation and deregulation of the South African economy. Such macroeconomic restructuring enabled concentration and vertical integration, and thus the development of “highly centralised agro-systems, functioning according to preferred channels (suppliers, producers and transformers)” dominated by relatively few powerful mega agribusinesses. These trends facilitated corporatization and financialization of the agricultural sector, and further exclusion of small-scale farmers, with agro-food market restructuring meaning greater barriers to entry for the marginalized producers and agribusinesses.

Even with this lack of statistics on the number of black producers, evidence shows that there is lack of transformation not necessarily on number of black farmers but in market share. Evidence shows that the Gross Value of Agricultural products was estimated at R281.4 billion in 2019. There are approximately 19 commodity associations administering the growth of the agricultural sector, focusing on production techniques, research and innovation as well as access to domestic and export markets. To finance these activities, the commodity associations use statutory measures and income from agricultural trusts, which is catered for in the MAP Act, except sugar association, which has a separate Act.

All the 19 commodity associations started using levies and trust monies post deregulation era (i.e. after promulgation of the MAP Act No 47 of 1996). The commodity associations are supposed to empower both white and black farmers in order to drive transformation, however, transformation progress has been very slow as illustrated in the table below, where black farmer production share remains negligible hovering around 4% on average.

The table below depicts the share in total production.

### Share in total production

Commodity Associations	2018 Production			2019 Production		
	Total production	Black farmers & BEE scheme		Total production	Black farmers & BEE scheme	
		Production	Share in total production		Production	Share in total production
Citrus (exported - tons)	1 845 000	-	-%	2 000 000	-	-%
Custard-apple (tons)	10 100	241	2.4%	15 734	1 449	9.2%
Dairy products (tons)	3 253 682	-	-%	3 410 538	-	-%
Deciduous fruit (tons)	1 034 275	445 092	3.0%	913 007	423 941	3.1%
Dried fruit (wet tons)	299 466	14 973	5.0%	32 729	3 927	12.0%
Table eggs	-	-	-%	-	-	-%
Fynbos (cents)	21 267 859	1 701 428	8.0%	22 373 613	1 789 880	8.0%
Lucerne (tons)	279 550	-	-%	410 459	-	-%
Machulani (tons)	44 810	399	0.2%	-	-	0.2%
Olives (tons)	16 920	504	3.0%	12 359	368	3.0%
Peanut (tons)	10 482	350	2.1%	18 290	300	0.5%
Pumpkin (tons)	5 776	58	1.0%	4 538	100	2.2%
Pork (tons)	319 626	9 240	4.2%	244 159 680	10 831 483	4.4%
Potatoes (tons)	2 132 505	9 205	0.4%	2 467 635	1 635	0.3%
Red meat (tons)	1 206 853	410 742	34.0%	1 042 741	326 256	31.3%
Table grapes (cartons)	87 573 139	5 121 008	0.1%	62 964 749	3 630 730	8.1%
Wine (tons)	1 437 261	29 344	1.6%	1 243 630	29 783	1.9%
Winter cereal (tons)	2 018 342	26 359	1.3%	2 001 849	26 880	1.3%

There is therefore a need to ensure that these circumstances substantially are reformed, hence the department's **targeted beneficiaries** are black producers in all categories.

To deal with these imbalances of the past, the department developed the agriculture and agro-processing master plan with interventions for reforms.

The Plan will be finalised by end June 2020 and it defines the economic reforms that will ensure the inclusion of black producers in the main stream economy of South Africa and globally.

The matter of accelerating land reform, tenure reform and land development has become a matter for all South Africans, all spheres of government and political parties. The contribution of Agriculture to the economy has been decreasing and since this is a labour-intensive sector, it is one of the few sectors that has a potential to accelerate intensive job creation. Rural development is one of the most critical focus areas to try address the 'triple crisis' and ensure inclusive growth of the economy.

The perception is that poor performance of government and particularly that of the department is failing those that require land, the rural poor and the growth of agriculture as well as job creation.

To respond to this, a strategy development process was undertaken to strategically position the department to effectively deliver against its mandate, vision and mission. The aim is to meet the NDP and SDG Goals through rolling back the triple challenges by scaling up delivery of land, legally secure tenure, food security, economic growth and land/rural development.

The key areas identified for accelerated impact are summarised in figure below:



Figure 18: Focus areas for accelerating impact

Based on the above strategic focus the DALRRD developed the following outcomes:

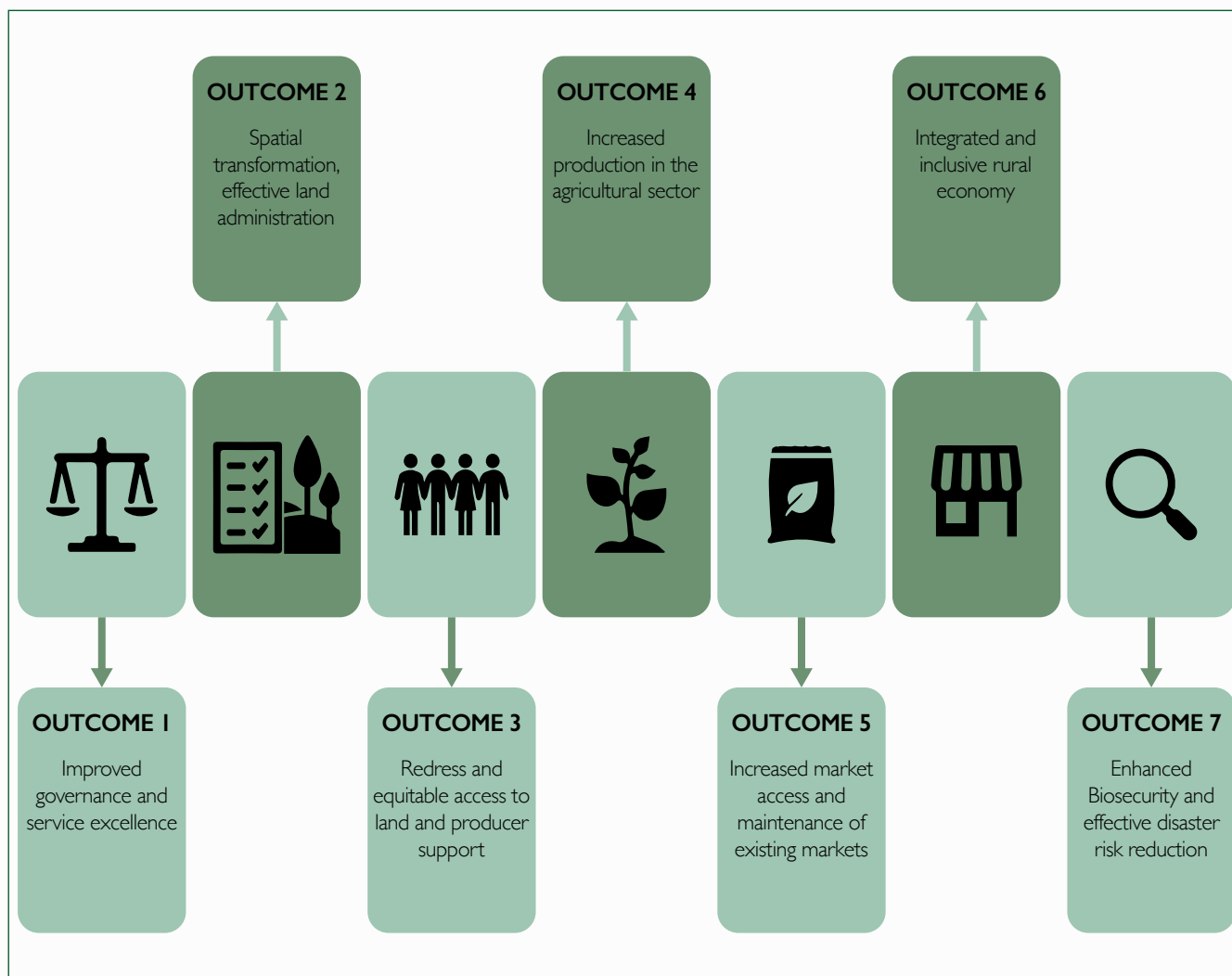


Figure 19: Outcomes 1 - 7

# PART C

## MEASURING THE DEPARTMENT'S PERFORMANCE



## DALRRD PERFORMANCE INFORMATION

The Department of Agriculture, Land Reform and Rural Development is committed to maintaining an equitable and sustainable land dispensation, improving the productivity of agriculture value chains and acting as a coordinator and catalyst in rural development to ensure food security and continued social and economic advancement for all South Africans.

The department aims to achieve its mandate in line with key national, provincial and municipal plans and policies. DALRRD will contribute towards the achievement of the NDP, NDP Five-Year Implementation Plan, the MTSE, priorities of women, children, youth and people with disabilities, provincial priorities, and the mandate of the department.

To effectively deliver on its mandate the department will focus its efforts on activities that will ensure that it achieves the following impact and outcomes.

### *Desired Impact*

<b>Impact statement</b>	<b>An effective land reform programme that ensures food security, inclusive economic growth and spatial transformation</b>
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**Land reform** refers to equitable allocation of land ownership and land use rights to historically disadvantaged South Africans to enhance land productivity and economic development. **Inclusive economic growth** is economic growth that is distributed fairly across society and creates opportunities for all including people living in rural areas and land reform beneficiaries. **Food security** is a state where all people, always, have physical, social, and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life. **Spatial transformation** is the transformation of cities, which were designed to deny spatial and socioeconomic access and to prevent urban land and property ownership based on race, into cities that allow equal access to urban resources, irrespective of race, gender or class.

## Measuring Outcomes

### Outcome 1: Improved governance and service excellence

Ethical and well-run governance. Accountability and transparency being a priority of government.

**Table 1: Improved governance and service excellence outcome**

MTSF Priority			
Outcome	Outcome indicator	Baseline	Five-year target
Improved governance and service excellence	Percentage compliance with legal prescripts	New indicator	100% compliance
	Percentage achievement of KPIs	68.6 % average in the last five years (2014/15-2018/19)	90%

### Explanation of Planned Performance over the five-year planning period

#### Related Priority Areas

Improved governance and service excellence is related to the **capable, ethical and developmental state** priority. It shows the department's willingness to create a capable governance structure built on principles of high ethical standards. A well-run government will influence all the areas of the department's impact statement. When governance is improved, and corruption reduced, the department will be well positioned to achieve the impact it wants to see.

#### How this contributes to the impact statement

A well-run government will influence **all the areas of the department's impact statement**. When governance is improved, and corruption reduced, the department will be well positioned to achieve the impact it wants to see.

#### Outcome indicator rationale

There were two indicators selected for this outcome. Compliance with government legal prescript is fundamental and a foundation for corporate governance. The department needs to comply first before it can focus on other deliverables. However, compliance and service excellence can run concurrently, in that while the department ensures that compliance is taking place there's service delivery as well. That's why there's an indicator on compliance and service excellence.

### Explanation of enablers to achieve 5-year targets

Innovation in service delivery, strong internal controls and full compliance with policies, will enable the organisation to achieve its 5-year targets. This should be supported by effective change management and capability development to create a high-performance culture. The development of skills in the organisation should be aligned to the development needs in the business to support the execution of the strategy.

### Outcome 2: Spatial transformation, effective and efficient land administration

This refers to creating and maintaining an 'inclusive, effective and comprehensive system' of planning, provision of legally secured tenure and land administration that 'promotes social, economic and environmental sustainability'.

**Table 2: Spatial transformation, effective and efficient land administration outcome**

MTSF Priority			
Outcome	Outcome indicator	Baseline	Five-year target
Spatial transformation, effective and efficient land administration	<ul style="list-style-type: none"> <li>% implementation of spatial development planning frameworks and land use management systems</li> </ul>	<ul style="list-style-type: none"> <li>National Spatial Development Framework (NSDF)</li> <li>SPLUMA</li> </ul>	<ul style="list-style-type: none"> <li>NSDF Implementation Framework</li> </ul>
	<ul style="list-style-type: none"> <li>Integrated land administration system</li> </ul>	<ul style="list-style-type: none"> <li>Electronic Deeds Registration Systems Act, 2019 (Act No. 19 of 2019)</li> <li>Deeds Registries Act, 1937 (Act No. 47 of 1937)</li> </ul>	<ul style="list-style-type: none"> <li>National Land Administration Policy Framework</li> <li>Electronic deeds registration system</li> <li>ILAS framework</li> <li>Amended Deeds Registry Act and eDRS Act</li> </ul>

### Explanation of Planned Performance over the five-year planning period

#### Related Priority Area

The MTSF priority area that this outcome relates to is the **spatial integration, human settlements and local government**. Effectively, this priority considers;

- Spatial Integration – Co-ordinated, Integrated and Cohesive National Development enabling economic growth and Spatial Transformation at scale;
- Development of an Integrated Land Administration System; and
- Review of Deeds Legislation.

### How this contributes to the impact statement

Spatial transformation and effective and efficient land administration are aimed at achieving **equitable access to land**. This creates the opportunity for inclusion of all races in the administering of land and space for the improvement of the South African economy.

### Outcome indicator rationale

The outcome indicators give a view of how spatial transformation and effective and efficient land administration is progressing at creating a uniform, recognisable and comprehensive system of spatial planning and land use management that promotes social inclusion, economic inclusion, equal opportunity and equal access to government services. This will also track the performance of the department on how it achieves spatial equity.

### Explanation of enablers to achieve 5-year targets

Cabinet approval of the NSDF and ILAS Framework Approval.

## Outcome 3: Redress and equitable access to land and producer support

Redress refers to remedying or correcting an undesirable and unfair situation, this will be in the form of equitable access to land and support to producers or communities who were disadvantaged by the previous dispensations. Increased access to land by black people will transform land ownership patterns and producer support will ensure full utilization of the allocated land.

Producer development support is a package of support mechanisms to ensure that the land allocated is fully utilised for agricultural development. The support packages will be implemented through the national policy for the agriculture sector in South Africa. The policy will regulate and guide interventions (support services) provided to the various categories of producers by Government. It will also guide other stakeholders involved in producer support such as the private sector, Civil Society Organisations (CSOs) and Development Partners (DPs) and other sector stakeholders.

**Table 3: Redress and equitable access to land and producer support**

MTSF Priority		Economic Transformation and Job Creation	
Outcome	Outcome indicator	Baseline	Five-year target
Redress and equitable access to land and producer support	Increase in access of land by PDIs in South Africa	5 million hectares	900 000 hectares
	Smallholder producers commercialised	0	2 500

## Explanation of Planned Performance over the five-year planning period

### *Related Priority Areas*

The MTSF priority area that this outcome relates to is **the economic transformation and job creation**. Specifically aiming at achieving economic transformation through the distribution of land to black people, allowing them to have right of ownership and/or right of use of the land. The achievement of economic transformation will be because of comprehensive support packages given to smallholder producers to enable them to graduate to commercial producers.

Aimed at achieving equitable access to land, land distributed to black South Africans allows them to effectively participate in land utilisation for agricultural, housing or commercial use.

Redress and equitable access to producer support is aimed at achieving food security and sustainable productivity and production. That will stimulate increased production and thus the department will be responding to economic transformation and job creation priority.

### *How this contributes to the impact statement*

Redress and equitable access to land is aimed at achieving **equitable access to land**. Land distributed to black people allows them to effectively participate in land utilization for agricultural, housing or commercial use.

The outcome contributes to the impact statement through the implementation of the National Policy on Comprehensive Producer Development Support (NPCPDS). The aim of the NPCPDS is to achieve food security, sustainable productivity and production in order to achieve the sustainable development goal. A central feature of the NPCPDS is food security and economic development by encouraging local processing of agricultural produce and to increase opportunities for value-adding and other targeted measures along the value chain.

### *Outcome indicator rationale*

Using increase in access of land by PDIs in South Africa gives a view of transformation in land ownership and access. It is important that the rights are recorded to ensure that the veracity of the land rights for the individuals.

The rationale for commercialising smallholder producers is to ensure that they graduate from the level that they are operating at and become sustainable. The intention is to provide smallholder producers with a comprehensive support package to upscale it to participate in the main stream economy of the country.

### *Explanation of enablers to achieve 5-year targets*

- Adherence to national policy comprehensive producer development support by implementers
- Farmers' willingness to provide information
- Availability of the market

## Outcome 4: Increased production in the agricultural sector

Increased production means increasing the yields, volumes and efficiencies, through the sustainable use of natural resources, technologies and management of risks. Agricultural productivity is affected by agricultural output and input. The total gross value of agricultural production (total production during the production season valued at the average basic prices received by producers) for 2018/19 is estimated at R277 078 million, compared to R284 622 million the previous year - a decrease of 2,7%. This decrease can be attributed to a decrease in the value of field crop and animal products.

The gross value of animal products, horticultural products and field crops contributed 49,2%, 30,3% and 20,5% respectively, to the total gross value of agricultural production. Agricultural inputs usually vary; these can include the number and area of farm, capital costs, labour costs, mechanisation, etc.

The current ecological state of the natural agricultural resources is a limiting factor in achieving the desired impact over the short and long term; 37,2 million ha is moderately degraded, 22,8 million ha severely degraded and 7,5 million ha very severely degraded, a total area of 67,5 million ha. The loss to society, if these areas are not rehabilitated, ranges between R260/ha/yr. and R7,000/ha/yr. Large-scale changes from degenerative to regenerative farming systems and practices, during the next five years, is of crucial importance to minimise the negative impacts of global warming and climate change on natural agricultural resources while sustaining crop and livestock production.

**Table 4: Increased production in the agricultural sector**

MTSF Priority			
Outcome	Outcome indicator	Baseline	Five-year target
Increased production in the agricultural sector	Percentage (%) increase in value of agricultural production	59 million tons per year (5-year average from 2014 to 2018)	10% increase in value

### Explanation of Planned Performance over the five-year planning period

#### Related Priority Areas

The outcome “increased production in the agricultural sector” is related to the priority area **economic transformation and job creation and food security**. Agricultural production aims to provide national leadership for sustainable agricultural production to ensure food security.

The increase in population numbers will require agricultural production to increase by at least 10% to meet the people’s dietary requirements.

The priority area affected by improved productivity of reformed land is **economic transformation and job creation**. The increase in productivity will contribute to the growth in the economy and jobs will be created in the

process as human resources will be required.

#### *How this contributes to the impact statement*

The outcome **increased agricultural production** contributes to the impact statement through the implementation of targeted specific interventions and strategies. Increased agricultural production in livestock and crop will contribute towards growth in the economy and provide the opportunity for job creation.

#### *Outcome indicator rationale*

Agricultural production remains a key contributor to the South African economy and a means for the livelihoods of the majority of the country's rural population. Therefore, sustained agricultural growth is critical for uplifting the living standards of all South Africans. According to the NDP, agriculture has the potential to create close to one million jobs by 2030.

#### *Explanation of enablers to achieve 5-year targets*

For the department to contribute to increasing agricultural production, it is necessary that all stakeholders share the same objective and that the stakeholders participate in activities leading to attainment of this objective in full throughout the agricultural value chain. The participation should include stakeholders within the sector on initiatives and interventions to increase production within the subsistence, smallholder and commercial environments. The branch will engage all spheres of government to support institutional capacity towards the comprehensive implementation of its programmes and strategies. Job and wealth creation lie at the epicentre of these programmes and strategies; coordinated implementation is therefore crucial in delivering the expected targets. The strategic interventions for the programme will aim to support production and enable safe and fair trade through the implementation of plant and animal production policies and strategies and managing and maintaining risk management systems.

The DALRRD has endorsed the Poultry Sector Master Plan agreed to by government and industry. The plan provides a framework for growing jobs within the industry across the value chain over several years through the implementation of the five identifiable pillars. The Poultry Master Plan seeks to increase the consumption of poultry and poultry products locally while emphasising locally produced products through increased capacity to produce throughout the value chain. The increased production will peak to at least 10% within a three-year period, thereby also increasing the export of poultry products and meet the country's importing requirement through strengthened capacity to provide guarantees through certification. A concerted effort will be made to increase participation of previously disadvantaged individuals in the value chain and increase worker share-ownership.

## Outcome 5: Increased market access and maintenance of existing markets

Market access refers to ability of agribusinesses to penetrate and participate in mainstream value chains. Market access also refers to the existence of the legal environment and the physical, technical, and the financial ability of traders to sell agricultural products domestically and across borders. Market access is facilitated through the Agri-park system in terms of the second leg of Agri-hubs and third leg of establishing Rural Urban Market Centres, ensuring investment, rural industry development, agro-processing, markets and credit facilities, whilst also ensuring a diverse and inclusive participation in the rural economy and key value chains. The regulation of agricultural markets continues to be implemented under the auspices of Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) and Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992). Such regulatory framework is implemented with due consideration to the need to promote fair and equitable access to agricultural markets, and to ensure that agricultural producers get a fair deal for their produce without any prejudice to market intermediaries.

**Table 5: Increased market access and maintenance of existing markets**

MTSF Priority			
Outcome	Outcome indicator	Baseline	Five-year target
Increased market access and maintenance of existing markets	% increase in the value of agricultural exports	6% Average over the past 5 years	1,5%
	% increase in domestic use (value added) of agricultural products	245.43 billion	245.43 billion at 1% increase

### Explanation of Planned Performance over the five-year planning period

#### Related Priority Areas

Increased market access and maintenance of existing markets will achieve **economic transformation and job creation**. It will also achieve **a better Africa and world wherein**

- Goods, services and business people move freely
- Market is integrated, bigger and easily accessible to all consumers and sellers.
- Market information is symmetrical
- Producer income decreases, and consumer price is decreasing
- Standards are harmonised including mutually accepted equivalents

#### How this contributes to the impact statement

This outcome can achieve integrated rural economies through provision of comprehensive support for smallholder farmers from the previously disadvantaged areas to participate effectively in the broader agricultural value chain. The achievement of an increase in the value of agricultural exports will also depend on favourable macro-

economic conditions such as exchange rates, implementation of trade agreements by trading partners, adherence to product standards (Global-Gap), product competitiveness in the global market and the buying power of the trading partners. The achievement of an increase in gross income of agricultural products will depend on increased disposable income, low inflation rates, product quality and safety of the products.

### *Outcome indicator rationale*

The outcome indicators focus on two different aspects of agricultural growth; the growth in exports which focuses on how much of local production is exported to other countries, and the domestic consumption of produce of the targeted farmers that have the greatest potential for growth. That can influence the economy.

### *Explanation of enablers to achieve 5-year targets*

- Trade policy reform
- Trade facilitation (Infrastructure, regulatory framework and human capacity for ports of entry)
- Productive capacity and skills trade-related infrastructure
- Trade finance
- Trade and market information
- Institutional capacity and reform – (e.g. extension, training, statistical office and research)
- Prioritize industries and avail support programmes
- Leverage private Investment with public investment
- Tracking results and impact

## **Outcome 6: Integrated and inclusive rural economy**

This outcome refers to the inclusion of the rural areas in the economy of the country by providing social and economic opportunities to overcome triple challenges, namely; poverty, inequality and unemployment. It aims to ensure better planning and coordination in the provision of basic services, food security and rural town development.

**Table 6: Integrated and inclusive rural economy**

<b>MTSF Priority</b>			
<b>Outcome</b>	<b>Outcome indicator</b>	<b>Baseline</b>	<b>Five-year target</b>
Integrated and inclusive rural economy	Jobs created in rural areas	36 875	40 000
	Agri-parks fully functional	0	9

## Explanation of Planned Performance over the five-year planning period

### *Related Priority Areas*

The increased support to rural enterprises and operationalizing of the Farmer Production Support Units will contribute to the growth in the rural economy and increased job creation.

### *How this contributes to the impact statement*

Increased market access and maintenance of existing markets.

### *Outcome indicator rational*

This outcome contributes to integrated and inclusive rural economy and job creation through mobilizing and organizing rural communities, supporting rural enterprises and operationalizing the Farmer Production Support Units.

### *Explanation of enablers to achieve 5-year targets*

- a) Enabling legislation
- b) Rural Development policy
- c) Asset Based Participatory community development
- d) Extensive stakeholder involvement across all spheres of government

## **Outcome 7: Enhanced biosecurity and effective disaster risk reduction**

Biosecurity is a strategic and integrated approach that encompasses the policy and regulatory frameworks (including instruments and activities) that analyse and manage risks in the sectors of food safety, animal life and health, and plant life and health, including associated environmental risk. Biosecurity covers the introduction of plant pests, animal pests and diseases, and zoonoses, the introduction and release of genetically modified organisms (GMOs) and their products, and the introduction and management of invasive alien species and genotypes. Biosecurity is a holistic concept of direct relevance to the sustainability of agriculture, food safety, and the protection of the environment, including biodiversity.

Risk reduction refers to measures to reduce the frequency or severity of losses, also known as loss control. Disaster Management can be defined as the organization and management of resources and responsibilities for dealing with all humanitarian aspects of emergencies preparedness, response and recovery to lessen the impact of disasters. The purpose of this Outcome is to manage risks associated with animal and plant pests and diseases, genetically modified organisms (GMOs), and registration of products used in the agricultural field as well as agricultural and liquor products sold in and exported from South Africa. This includes risks associated with safety of exported products in terms of residue testing and monitoring (meat safety and composition of products).

This is done through developing and monitoring risk management strategies, implementation of policies and

legislations aimed at protecting human, animal and plant life as well as ensuring fair and consistent trade. It also develops the agricultural risk and disaster management plans to reduce risks associated with natural disasters and climate change.

**Table 7: Enhanced biosecurity and effective disaster risk reduction**

Outcome	Outcome indicator	Baseline	Five-year target
Enhanced biosecurity and effective disaster risk reduction	<ul style="list-style-type: none"> <li>% compliance and enforcement with biosecurity policies and measures</li> </ul>	New indicator	100 %
	<ul style="list-style-type: none"> <li>Community networks created to support government initiatives to promote biosecurity</li> </ul>	New indicator	Nine community networks

### Explanation of Planned Performance over the five-year planning period

#### *Related Priority Areas*

The Outcome “enhanced biosecurity and effective disaster risk reduction” is responding to the MTSF priority area Economic Transformation and Job Creation. Interventions in this outcome has the potential to stimulate food security, economic development and contribution to the GDP, job creation and transformation.

#### *How this contributes to the impact statement*

The Outcome enhanced biosecurity and effective disaster risk reduction contribute to the impact statement through various interventions, regulations and strategies.

The rationale for the department’s interventions towards enhancing biosecurity an effective risk reduction relates to issues of market access, food security and rural development. The loss of existing export markets and inability to access new exports due to pest and disease outbreaks has negative consequences for producers, exporters, small-scale farmers, and society in general. The resultant loss of income from export earnings negatively affect agriculture’s contribution to the economic growth of South Africa. Maintaining effective systems to ensure animal and plant health in the country is therefore necessary to mitigate the negative impacts of regulated plant pests and animal diseases in the agricultural sector.

#### *Outcome indicator rationale*

The rationale for the outcome indicator is to ensure a sound bio-security and effective disaster risk reduction regulatory framework. The supply of food heavily relies on credible regulatory instruments to regulate the quality

of inputs from fertilisers, new varieties of plants and adaptable breeds. Increased agricultural trade have led to the potential in the spread of animal and plant pests and diseases. The spread of pests and diseases of economic importance impact on food safety and security and prohibits South Africa from exporting affected agricultural commodities. The effective implementation of the climate change adaptation and mitigation programmes will reduce negative impact of climate change.

### *Explanation of enablers to achieve 5-year targets*

Enforce regulatory framework to reduce level of disease outbreaks in production areas and interception at export channels to a minimum by implementing regulatory compliance and monitoring interventions to prevent plant and animal pest/disease outbreaks (quarantine inspections, surveillance and testing)

- Legislation
- Policies
- Compliance to international obligations
- Compliance
- Compliance monitoring
- Status monitoring
- Awareness creation

This is attainable through amendments of relevant legislations, policies; enhance compliance by setting standards for monitoring and compliance with International Standards. Improving awareness of bio-security measures may also assist in managing disaster and risks that affect agricultural and rural space.

The proposed interventions aim to reduce and prevent, as appropriate, the incidence of animal and plant pests and diseases towards supporting sustainable agricultural production which would contribute to increased safe trade in agricultural products. More specifically, the interventions will strengthen the implementation of the existing policy and regulatory framework; improving the capacities (technical and physical infrastructure) & governance to ensure pests and disease control and improve early warning systems.

Mindful of the domestic, regional and international context with regards to management of the incidence of pest and diseases, the department will ensure its consistent engagement of international standard setting bodies, collaborate with relevant local and international focal point which are important for disease, pest control and risk reduction, strengthen collaboration with other spheres of governments (including local level), exploit existing public private partnerships or establish new partnerships and ensure clear role assignment in instances where mandates might overlap.

## KEY RISKS

**Table 8: Key risks and mitigations to each outcome**

Outcome	Key Risks	Root Cause	Risk Mitigation
<b>Improved governance and service excellence</b>	Poor IT Infrastructure	<ul style="list-style-type: none"> <li>a) Aged IT infrastructure;</li> <li>b) Lack of internal capacity to handle IT insourced and outsourced systems;</li> <li>c) Lack of key human expertise e.g. Database Administrator;</li> <li>d) Poor investment on IT expertise thus inability to retain the needed skills;</li> <li>e) Silo development of IT systems;</li> </ul>	<ul style="list-style-type: none"> <li>a) Develop IT strategy based on comprehensive needs analysis of the department;</li> <li>b) Make deliberate investment in IT infrastructure;</li> </ul>
<b>Spatial transformation and effective and efficient land administration</b>	Inability to create a comprehensive spatial planning process that promotes sustainability	<ul style="list-style-type: none"> <li>a) Poor collaboration with key stakeholders because of lack of interest;</li> <li>b) Non-cooperative stakeholders i.e. Traditional Leaders and Municipalities;</li> <li>c) Inadequate human and financial capacity in relation to the demands of the revised/new mandate;</li> <li>d) Inadequate office accommodation (storage capacity) thus unable to preserve and protect valuable cadastral documents;</li> <li>e) Lack of strategic understanding and implementation of sustainable goals;</li> </ul>	<ul style="list-style-type: none"> <li>a) Inter Ministerial Committee;</li> <li>b) Political intervention for non-cooperative stakeholders, i.e. Traditional Leaders, Municipalities, etc;</li> <li>c) To further reprioritise the funding of additional posts beyond the NMOG start-up structure;</li> <li>d) To escalate issues of (office accommodate, storage of records) to the Minister;</li> <li>e) To promote Sustainable Development Goals and integrate them in planning and implementation;</li> </ul>

Outcome	Key Risks	Root Cause	Risk Mitigation
	Possible challenges in the amendments of legislation to cater for new recordal	<ul style="list-style-type: none"> <li>a) Legislation not prioritised in the departmental legislative programme thus taking too long finalise;</li> <li>b) Resistance by affected parties (holders of rights legislations are done in a silo manner) i.e. Conveyancers;</li> <li>c) Social Economic Impact Study Analysis (SEIA) process not appropriately implemented as a result of inadequate internal consultative processes;</li> </ul>	<ul style="list-style-type: none"> <li>a) To engage with affected parties using a pilot framework/approach;</li> <li>b) SEIA to be more inclusive and ensure internal comprehensive consultative processes;</li> </ul>
	Delays in the approval of National Spatial Development Framework (NSDF)	<ul style="list-style-type: none"> <li>a) Issues raised during consultative process (with Cabinet) not resolvable;</li> <li>b) Misalignment in the new focus of government;</li> </ul>	To amend the NSDF with the provided directive inputs
	Delays in the implementation of eDRS	<ul style="list-style-type: none"> <li>a) Amendment of legislation not reviewed and finalised in a timely manner as a result of a long consultation process with key stakeholders;</li> <li>b) Dependency on Supply Chain Management processes not being completed on time;</li> <li>c) Ineffective governance structures within the department;</li> <li>d) Budgetary constraints;</li> <li>e) Possible litigation by conveyancers;</li> </ul>	<ul style="list-style-type: none"> <li>a) Legal services to draft the bill for it to be enacted by 2023;</li> <li>b) Continuous engagement with SITA on issues surrounding the procurement of IT;</li> </ul>

Outcome	Key Risks	Root Cause	Risk Mitigation
<b>Redress and equitable access to land and producer support</b>	Unsuccessful negotiation and valuation process thus neither settling nor finalising claims at the anticipated time (Inability to settle and finalise claims within the anticipated time)	<ul style="list-style-type: none"> <li>a) Non-utilisation of alternatives tools for restitution;</li> <li>b) Lack of capacity - specialised resources to negotiate with the farmers;</li> <li>c) Consistent challenging of OVG's evaluated prices by the current land owners through court process;</li> <li>d) Fraudulent activities (collusion between internal and external parties) during the price valuation process,</li> <li>e) Application of the property Valuers Act is not clear in relation to section 25 of the constitution;</li> <li>f) Poor/ lack of coherent operating model (policies and procedures);</li> <li>g) Budget constraints as a surety of budget cuts;</li> <li>h) Human resource constraints;</li> <li>i) Delays in the implementation of post settlement;</li> </ul>	<ul style="list-style-type: none"> <li>a) Improve Operating Models so processing of claims is done concurrent with the post settlement;</li> <li>b) To develop a process map (end-to-end process) including other Branches/ Units' involvement in the value chain of claims settlements and finalisation;</li> <li>c) To develop a post settlement strategy;</li> <li>d) To develop and obtain approval of the new financial model to finance settlement of claims</li> </ul>
	Withdrawals of price offers by the land seller	<ul style="list-style-type: none"> <li>a) Seller not willing to agree on the first evaluated price - evaluated by OVG;</li> <li>b) Too long and cumbersome process of negotiating the buying-selling of land;</li> <li>c) Inflated prices because it is government buying the land;</li> <li>d) Farms (land) are too expensive.</li> </ul>	<ul style="list-style-type: none"> <li>a) To await the outcome of the Constitutional review (section 25);</li> <li>b) To review the current negotiation processes;</li> </ul>

Outcome	Key Risks	Root Cause	Risk Mitigation
	Current land owners were neither ready nor willing to negotiate or release the land earmarked as strategic acquisition by the department	<ul style="list-style-type: none"> <li>a) Current land owner sees it as a high productive land;</li> <li>b) Demanding unrealistic prices compared to the evaluated one;</li> </ul>	To be discussed.
	Mismatching of allocation of acquired land to beneficiaries	<ul style="list-style-type: none"> <li>a) Ineffective District Land Reform Committee (DLRC) due to inability to deal with undue external influence;</li> <li>b) Size/portion of the land allocated to the beneficiaries not matching their capabilities;</li> <li>c) Inadequate monitoring by the department - post allocation of land;</li> </ul>	<ul style="list-style-type: none"> <li>a) To finalise the Beneficiaries Selection and Land Allocation policy;</li> <li>b) To enforce monitoring as per the standard operating procedure;</li> <li>c) To develop and finalise an online application system;</li> </ul>

Outcome	Key Risks	Root Cause	Risk Mitigation
	Possible difficulties during the interface between Special Master and the department on labour tenants' functions	<ul style="list-style-type: none"> <li>a) Regulatory mandate of the labour tenants has been handed over to the special master thus complete reliance on the Special Master to deliver;</li> <li>b) Labour tenants' targets not clarified;</li> <li>c) None existing Operational/ Implementation Plan for the Special Master court regarding labour tenants;</li> <li>d) Human resource constraints - technical capacity to process applications;</li> <li>e) Unreliable database for labour tenants;</li> </ul>	<ul style="list-style-type: none"> <li>a) To wait for the Special Master to provide strategic direction on implementation plan for the 4-year term;</li> <li>b) To create a reliable and accurate database for labour tenant applications;</li> </ul>
	Un-serviced (not catered for) farm dwellers post securing tenure	<ul style="list-style-type: none"> <li>a) Voluminous applications;</li> <li>b) High number of applications versus human capacity regarding numbers and expertise;</li> <li>c) Poor coordination of stakeholders as a result of long process;</li> <li>d) Farm dwellers are sparsely located;</li> </ul>	<ul style="list-style-type: none"> <li>a) To implement the District Development Model for farm dwellers;</li> <li>b) Engage key stakeholder COGTA, Human settlement, DWS, etc.</li> </ul>

Outcome	Key Risks	Root Cause	Risk Mitigation
<b>Increased production in the agricultural sector</b>	Inability to achieve the targeted agricultural yields	a) Lack of investment in agriculture by the government on: (i) infrastructure, (ii) technology, (iii) production inputs; b) Choice of commodity as it may be incorrect; c) Unavailability of resources; d) Poor/ inadequate provision of government support to the user; e) Climate change challenges; f) Outbreak of animal and plant diseases;	To finalise the development of Agriculture Master Plan - this will include elements of funding, technology, production inputs, etc.
	Incoherent government policies and strategies	a) Poor/ ineffective governance; b) Inadequate management of shared strategic roles or overlapping mandates;	a) The implementation of District Development Model; b) To develop a Stakeholder Framework which will improve the engagement of key stakeholders and sharing of strategic mandate(s);
	Biotic and Abiotic Challenges		<ul style="list-style-type: none"> <li>• Pest and diseases Management Measures</li> <li>• Disaster &amp; Risk Mitigation Plans</li> <li>• Maintaining Biosecurity measures</li> </ul>
	Compromised biosafety and biosecurity		Maintain effective regulatory, compliance and monitoring interventions

Outcome	Key Risks	Root Cause	Risk Mitigation
<b>Increased market access and maintenance of existing markets</b>	Inability to create an enabling environment that will allow an increase of market access for black and small businesses	a) Hostile trading partners from developed economies; b) Lack/ low volumes of production by small businesses; c) Changes in local politics leading to change of direction and reconfiguration of strategies; d) Competing interests during the SACU block trade negotiations; e) Unethical competitive behaviour by the well-established businesses; f) Small businesses with challenges of inadequate trade infrastructure e.g. financial inability, etc. g) Uneven policies that are not synchronised for ease of trade; h) Inability to meet market access requirements;	a) To align implementation of strategies to meet the targeted specific groups i.e. HDIs; b) To strengthen pre-negotiations discussion with SACU participants; c) Re-purpose the government support provided to small businesses owned by HDIs; d) To proactively engage with the Competition Commission to develop a strategy that will deal with unethical competitive behaviour within the agricultural sector;
		Market Access restriction	Enforcing trade rules and principles in line with international agreements and standard-setting bodies
		Most services provided to unintended beneficiaries	<ul style="list-style-type: none"> <li>• Documentation of client base and KIMS</li> <li>• Education of new entrants</li> </ul>
		Compliance by other trading partners	<ul style="list-style-type: none"> <li>• Training and institutional capacity development</li> </ul>
		Regulations/rules enforcement capacity	Formation of inspection agencies

Outcome	Key Risks	Root Cause	Risk Mitigation
		Transshipment of products in Africa	Border agency and laboratory capacities
<b>FPSUs not fully operational</b>			
<b>Integrated and inclusive rural economy</b>	Lack of cooperation by all stakeholders,	No institutional and organisational processes designed for co funding the programme	Integrated resourced government implementation plans in place and External private sector stakeholder involvement strategy(ies) in place
	Lack of sustainable funding by all stakeholders	No clear incentives framework for stakeholders	Finance resource strategies
	Poor management of FPSUs	Lack of capacity (human resources) Lack of funding Insufficient resources from the side of the community to maintain the infrastructure	Ownership and management model for FPSUs approved Contractual arrangements with FPSU managers and ongoing support provided as required Households within FPSUs not graduated out of poverty
	Lack of funding for FPSU and Agri-Hub infrastructure construction	Struggling fiscus hampers funding toward the programme Stakeholders have not provided needed support for the programme.	Funding commitments from NT and stakeholder commitment and collaboration.
	Poor business plans could lead to underutilised infrastructure	Poorly developed business plans	Ensure business plans are bankable
<b>Enhanced Biosecurity and effective disaster risk reduction</b>			

## PUBLIC ENTITIES

**Table 9: Pubic Entities**

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R million)
<b>The Agricultural Research Council (ARC)</b>	The ARC was established in terms of the Agricultural Research Act (1990) and is the main agricultural research institution in South Africa. In terms of the Act, the council's primary mandate is to conduct research and development and effect the transfer of technology to promote agriculture and industry, contribute to a better quality of life, and facilitate and ensure conservation of natural resources.	<ul style="list-style-type: none"> <li>• Increased agricultural production and productivity</li> <li>• Sustainable ecosystems and natural resources</li> <li>• Improved nutritional value, quality and safety of agricultural products</li> <li>• A skilled and capable agriculture sector</li> <li>• Enhanced resilience of agriculture</li> <li>• A high performing and sustainable organisation</li> </ul>	1 223 706
<b>National Agricultural Marketing Council (NAMC)</b>	The NAMC was established in terms of Section 3 and section 4 of the Marketing of Agricultural Products Act (1996). The council is mandated to investigate the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products; and evaluate the desirability, necessity or efficiency of these statutory measures. It is also mandated to, if necessary, propose alternatives to the establishment, continuation, amendment or repeal of a statutory measure, and report to and advise the minister accordingly.	<ul style="list-style-type: none"> <li>• To ensure business excellence in the delivery of the NAMC mandate</li> <li>• Quality advisory services derived from trade policy investigations to the minister and directly affected groups in order to strengthen policy development and informed policy decision.</li> <li>• Efficiency of the marketing of agricultural products through statutory measure advisory services</li> <li>• Advisory services to the Minister and Ministerial Trustees relating to trusts and agricultural transformation</li> <li>• Promote Market Access for smallholder farmers</li> </ul>	45 251

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R million)
<b>Onderstepoort Biological Products OBP)</b>	OBP was established as a public entity in terms of the Onderstepoort Biological Products Incorporation Act (1999), with government as its sole shareholder. The entity's mandate is to prevent and control animal diseases that affect food security, human health and livelihoods through the continued development and efficient manufacturing of innovative animal-related pharmaceuticals (including vaccines) and related products.	<ul style="list-style-type: none"> <li>• Improve income and probability</li> <li>• Expand product portfolio and access new markets</li> <li>• Supplier of choice optimised business processes</li> <li>• Improved product availability</li> <li>• Inspired staff striving for excellence - Preferred employer</li> </ul>	184
<b>Perishable Products Export Control Board (PPECB)</b>	The PPECB is an independent service provider of 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 Perishable Products Export Control Act (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. It also derives its mandate from the Agricultural Products Standards Act (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.	<ul style="list-style-type: none"> <li>• Contribute to the socio-economic transformation of the agricultural sector</li> <li>• Support the export competitiveness of South African perishable products industries</li> <li>• Strengthen the PPECB's capacity to provide a professional suite of services for its clients</li> <li>• Enhance the credibility of the South African Export certificate</li> </ul>	585

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R million)
<b>Agricultural Land Holding Account</b>	The Agricultural Land Holdings Account was established in terms of the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993) Section 10(1) (a) that gives legal effect to the proactive acquisition of land, where the Minister may, from funds appropriated by Parliament for this purpose, acquire land for the purposes of this Act. Therefore, the State will proactively target land and match this with the demand or need for land.	Acquisition of strategically located land for agricultural productivity	-
<b>KwaZulu-Natal Ingonyama Trust Board (ITB)</b>	The ITB is established in terms of the provisions of the KwaZulu-Natal Ingonyama Trust Act, 1994 (No. 3 of 1994). Its core business is to manage land for the material benefit and social wellbeing of the individual members of the tribes.	Administer Ingonyama Trust land for the material benefit and social benefit of the affected communities.	52,3
<b>Registration of Deeds Trading Account</b>	The Registration of Deeds Trading Account is a trading entity established in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). It generates revenue by selling information and levying fees in accordance with the schedule of fees prescribed by regulation 84 of the Act; registers rights in land and thus provides security of title. It also maintains public registers of land.	Registration of title deeds.	-

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R million)
<b>Office of the Valuer-General</b>	Support land reform by providing impartial, efficient, just and equitable valuation services for all land reform related matters in the country	Ensuring that the land and properties are valued in line with the Property Valuation Act, 2014 (Act No. 17 of 2014).	-

# PART D

## TECHNICAL INDICATOR DESCRIPTION



## OUTCOME I: TECHNICAL INDICATOR DESCRIPTIONS

### Technical Indicator Descriptions: Outcome Indicator 1.1

<b>Indicator Title</b>	% compliance with legal prescripts
<b>Definition</b>	This indicator tracks compliance with Public Finance Management Act and the Public Service Act with all regulations that are applicable to them and the department. Normally there are issues raised on non-compliance with legislation by oversight like AGSA, NT and DPME. Findings relating to non-compliance with legal prescripts are raised annually during audits by AGSA. Recommendations will be tracked to ensure that compliance is in place and adequate controls are implemented. This is an independent assessment done by external bodies to ensure that the department complies. All audit findings will be compared against those dealing with compliance with legislation. This indicator goes beyond the audit opinion raised by checking specific issues of compliance with legislation specifically PFMA and PSA.
<b>Source of data</b>	Audit findings on non-compliance with legislation. Audit management letter. Audit Management Action Plan
<b>Method of Calculation/ Assessment</b>	$\frac{\text{Number of findings on non-compliance with legislation}}{\text{Number of findings on compliance with legislation}} \times 100$
<b>Assumptions</b>	The department as a public institution is expected to comply 100% with government prescripts like the PFMA and PSA.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	100%
<b>Indicator Responsibility</b>	Office of the Director-General and Chief Financial Officer

## Technical Indicator Descriptions: Outcome Indicator 1.2

<b>Indicator Title</b>	% achievement of KPIs
<b>Definition</b>	This indicator refers to achievement of planned Key Performance Indicators (KPIs) included in the Strategic Plan and Annual Performance Plan over the Medium-Term Strategic Framework period. This indicator will contribute to service excellence based on the premise that if indicators are achieved service excellence is achieved.
<b>Source of data</b>	Annual Reports for the years: 2020/21 to 2024/25
<b>Method of Calculation/ Assessment</b>	$\frac{\text{Key Performance Indicators (KPIs) achieved}}{\text{Total of Key Performance Indicators (KPIs)}} \times 100$
<b>Assumptions</b>	Departments are expected to achieve all planned targets to ensure that service delivery occurs.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	90 %
<b>Indicator Responsibility</b>	Office of the Director-General and Deputy Director-General: Policy, Planning, Monitoring and Evaluations

## OUTCOME 2: TECHNICAL INDICATOR DESCRIPTIONS

### *Technical Indicator Descriptions: Outcome Indicator: 2.1*

<b>Indicator Title</b>	% implementation of spatial development planning and land use management frameworks
<b>Definition</b>	Effective application of spatial development plans and land use management aimed at creating a uniform, recognizable, comprehensive system of spatial planning and land use management that promotes social inclusion, economic inclusion, equal opportunity and equal access to government services. The development and implementation of tools for spatial planning and land use management
<b>Source of data</b>	Branch: Spatial Planning and Land Use Management National The Branch will facilitate the compilation of tools which will be monitored for periodical collection of data and reporting
<b>Method of Calculation/ Assessment</b>	Simple count of the number of predefined tools that are developed per quarter/year
<b>Assumptions</b>	Adherence to SPLUMA legislation
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
<b>Spatial Transformation (where applicable)</b>	Spatial integration is a priority for the current MTSF, and all relevant sectors honor their commitments to facilitate spatial integration The indicator is a primary contributor to spatial transformation through continuous enactment of relevant legislation, policies, tools and guidelines
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	<ul style="list-style-type: none"> <li>• NSDF Implementation Framework</li> <li>• SPLUMA</li> </ul>
<b>Indicator Responsibility</b>	DDG: SPLUM

## Technical Indicator Descriptions: Outcome Indicator 2.2

<b>Indicator Title</b>	Integrated land administration system
<b>Definition</b>	<p>Integrated Land Administration System refers to <b><i>an integrated, responsive, synchronised/ uniform land administration infrastructure</i></b> (state-owned system) based within a legal framework which administers property rights and information management through its various institutions. The system therefore establishes administrative and legal procedures for land transactions, for physical attributes of territory, the uses of that land, the valuation of that land, economics of that land which provides security and legal certainty on ownership/ land rights (Adapted from UN, 1993).</p> <p>The functions involved in regulating the development and use of the land, gathering revenue from the land (through sale, lease or taxation, etc.), <b><i>and conflict resolution mechanisms relating to rights in land</i></b> resolving conflicts concerning the ownership and use of the land. It is concerned both with private and public lands, and involves:</p> <ul style="list-style-type: none"> <li>• land settlement, land survey, land registration, land valuation and assessment</li> <li>• land use control and management, infrastructure and utilities management.</li> </ul> <p>Synchronized/ uniform state-owned system based within a legal framework which administers property rights and information management through its various institutions. The system therefore establishes administrative and legal procedures for land transactions, for physical attributes of territory, the uses of that land, the valuation of that land, economics of that land which provides security and legal certainty on ownership/ land rights</p>
<b>Source of data</b>	Land Administration Office
<b>Method of Calculation/ Assessment</b>	Simple count
<b>Assumptions</b>	Lack of buy-in by some of the stakeholders
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Target for Women:</p> <p>Target for Youth:</p> <p>Target for Persons with Disabilities:</p>

<b>Indicator Title</b>	Integrated land administration system
<b>Spatial Transformation (where applicable)</b>	Security of tenure provided to all South Africans Effective and efficient Land Administration System provided Reflect on the spatial impact area
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	Integrated Land Administration System
<b>Indicator Responsibility</b>	Integrated Land Administration Systems Programme Director

## OUTCOME 3: TECHNICAL INDICATOR DESCRIPTIONS

### *Technical Indicator Descriptions: Outcome Indicator 3.1*

<b>Indicator title</b>	Increase in access to land by PDIs in South Africa
<b>Definition</b>	This indicator tracks targeted acquisition of land for redistribution, addressing different needs of PDIs while the aim is to ensure that previously disadvantaged individuals have increased access to land by allocating
<b>Source of data</b>	Project file and Deeds Web
<b>Method of calculation or assessment</b>	Simple sum of the number of hectares of land acquired
<b>Assumptions</b>	Strategically Located Land Acquired
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for Women: 450 000 Target for Youth: 360 000 Target for Persons with Disabilities: 90 000
<b>Spatial transformation (where applicable)</b>	Acquisition is informed by a science model (Strategically Located Land tool), which is coupled by the farm assessment report and is not demand based
<b>Desired performance</b>	900 000
<b>Indicator responsibility</b>	Deputy Director-General: Land Redistribution and Development

## Technical Indicator Descriptions: Outcome Indicator 3.2

<b>Indicator Title</b>	Smallholder producers commercialised
<b>Definition</b>	<p><b>Smallholder Producer is defined</b> as a venture undertaken by an individual or business entity for the purpose of household consumption and deriving a source of income from agriculture activities along the value chain. These are usually the new entrants with an annual turnover ranging from R50 001 – R1 million per annum.</p> <p><b>Commercialisation</b> refers to where a smallholder producer graduates to a medium/ large scale commercial producer.</p> <p><b>Graduation</b> refers to where a producer showed movement in the terms of Turnover <b>within a period of five years.</b></p> <p><b>Medium Scale Commercial Producer is defined</b> as a venture undertaken by an individual or entity for the purpose of deriving a source of income from agriculture activities along the value chain. These are established enterprises with an annual turnover ranging from R1 000 001 – R10 million).</p>
<b>Source of data</b>	<p>Provincial Departments of Agriculture (PDA) and Provincial Shared Services Centres (PSSC)</p> <p>Project files (Business plans, valid SARS, tax certificate, beneficiary profile, farmers profile)</p>
<b>Method of Calculation/ Assessment</b>	Simple count: Number of smallholder producers commercialised
<b>Assumptions</b>	<p>Sufficient budget allocated</p> <p>Favourable climate conditions</p>
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Women 50%</p> <p>Youth 50%</p> <p>People with disability 6%</p>
<b>Spatial Transformation (where applicable)</b>	All provinces
<b>Reporting Cycle</b>	5 Years
<b>Desired Performance</b>	2 500 smallholder producers commercialised
<b>Indicator Responsibility</b>	DDG: Food Security and Agrarian Reform

## OUTCOME 4: TECHNICAL INDICATOR DESCRIPTIONS

### *Technical Indicator Descriptions: Outcome Indicator 4.1*

<b>Indicator Title</b>	% increase in value of agricultural production
<b>Definition</b>	Increased production means increasing the yields, volumes and efficiencies, through the sustainable use of natural resources, technologies and management of risks. This will give a view of the level of the value unlocking productivity through the sustainable use of natural resources, technologies and management of risks.
<b>Source of data</b>	Data is obtained from the gross value of animal products, horticultural products and field crops and their contribution to the total gross value of agricultural production.
<b>Method of Calculation/ Assessment</b>	Quantitative: 10% increase in agricultural products Qualitative: Risk reduction, pest surveillance, sustainable practices, access to technologies
<b>Assumptions</b>	Pests and Diseases outbreaks, maintenance of biosecurity measures, Climate change, drought, natural disasters
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: Target for Youth: Target for Persons with Disabilities:
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	Increased yields in the agricultural production
<b>Indicator Responsibility</b>	DDG: Agriculture Production, Health and Food Safety

## OUTCOME 5: TECHNICAL INDICATOR DESCRIPTIONS

### *Technical Indicator Descriptions: Outcome Indicator 5.1*

<b>Indicator Title</b>	% increase in the value of agricultural exports
<b>Definition</b>	The indicator refers to the calculation of the five-year average increase in the value of the agricultural products exported by the country during the period.
<b>Source of data</b>	Database from Global Trade Atlas (GTA)
<b>Method of Calculation/ Assessment</b>	Trade statistics as per GTA
<b>Assumptions</b>	On the assumption that conducive environment created e.g. farmer readiness, SPS, & Non-Tariff Barriers reduced or eliminated, etc.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Women: n/a Youth: n/a Persons with Disabilities: n/a
<b>Spatial Transformation (where applicable)</b>	n/a
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Increase value of agricultural exports
<b>Indicator Responsibility</b>	DDG: EDTM

## Technical Indicator Descriptions: Outcome Indicator 5.2

<b>Indicator Title</b>	% increase in domestic use (value added) of agricultural products
<b>Definition</b>	Gross income of agricultural products refers to the sum of all receipts from sale of crops, livestock and farm related goods and services.
<b>Source of data</b>	Annual report from Statistics South Africa and other related databases
<b>Method of Calculation/ Assessment</b>	Basic count: Annual reports over 5 years
<b>Assumptions</b>	Reliable and validated data from StatsSA and other agencies Ability of StatsSA to biannually publish the reports Availability of competent officials to sanitise the data Availability of IT equipment
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
<b>Spatial Transformation (where applicable)</b>	All Provinces of the Republic of South Africa
<b>Reporting Cycle</b>	Annual progress against the five-year target
<b>Desired Performance</b>	Determine the actual performance of the agricultural industry is higher or lower than targeted performance
<b>Indicator Responsibility</b>	DDG: EDTM

## OUTCOME 6: TECHNICAL INDICATOR DESCRIPTIONS

### Technical Indicator Descriptions: Outcome Indicator 6.1

<b>Indicator Title</b>	Jobs created in rural areas
<b>Definition</b>	<p>REID: The indicator refers to the number of jobs created (permanent and temporary) in rural development initiatives.</p> <p>A job is any activity (paid in terms of a monetary value or non-monetary value) within rural development initiatives implemented to promote rural development and job creation.</p> <ul style="list-style-type: none"> <li>• It relates to a paid job/salary earning wages/ remuneration</li> <li>• It relates to self-employment, division of revenue by a cooperative in a financial year (normally once a year to the members), if there are dividends to pay out.</li> <li>• It relates to permanent, seasonal and temporary job activities by enterprises and industries without financial payment of wages but rather payment of produce that relates to the cooperative and will benefit the member.</li> </ul> <p><b>RID:</b></p> <p>The indicator refers to the number of job opportunities created (permanent and temporary) in rural development initiatives during the period under review.</p> <p>A job is any activity (paid in terms of a monetary value or non-monetary value) within rural development initiatives implemented to promote rural development and job creation.</p> <ul style="list-style-type: none"> <li>• It relates to a paid job/salary earning wages/remuneration</li> <li>• It relates to self-employment, division of revenue by a cooperative in a financial year (normally once a year to the members), if there are dividends to pay out.</li> </ul> <p>It relates to permanent and temporary job activities by enterprises and industries without financial payment of wages but rather payment of produce that relates to the cooperative and will benefit the member. These jobs will be segregated accordingly.</p>
<b>Source of data</b>	Payroll or payment schedules, non-monetary compensation schedule in terms of jobs performed, dividend shares certificate

<b>Method of Calculation/ Assessment</b>	<p>Each person who has worked for the same employer in the same job description will be counted once during the financial year:</p> <ul style="list-style-type: none"> <li>• A person can be counted more than once as long as they received a different type of employment.</li> </ul> <p>Each person that is Self-employed in the same enterprise or industry will be counted once during the financial year. Each person that receives remuneration/compensation for non-monetary job activities in the same enterprise or industry will be counted once during the financial year.</p>
<b>Assumptions</b>	Job creation will improve food security
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for Persons with Disabilities: N/A</p>
<b>Spatial Transformation (where applicable)</b>	
<b>Reporting Cycle</b>	Cumulative
<b>Desired Performance</b>	Quarterly
<b>Indicator Responsibility</b>	DDG: REID

## Technical Indicator Descriptions: Outcome Indicator 6.2

<b>Indicator Title</b>	Agri-parks fully functional
<b>Definition</b>	<p>An <b>Agri-Park</b> is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The Agri-Park comprises three distinct but interrelated basic components as outlined below:</p> <p><b>Farmer Production Support Unit (FPSU):</b> The FPSU is a rural outreach and capacity building unit that serves a one stop shop to provide farmers within a predetermined radius with production inputs, capacity building, production infrastructure and mechanisation support.</p> <p><b>Agri-Hub:</b> Agri-Hub is a unit where large-scale processing, packaging, logistics, and training are the main functions. It serves as value addition of primary commodities.</p> <p><b>Rural Urban Market Centres (RUMC):</b> RUMC is located on periphery of large urban areas. The RUMCs are guided by 3 main purposes:</p> <ul style="list-style-type: none"> <li>• Linking and contracting rural, urban and international markets through contracts;</li> <li>• Act as a holding-facility, releasing produce to urban markets based on seasonal trends; and</li> <li>• Provide market intelligence and information feedback to the Agri-Hub and FPSU, using the latest information and communication technologies.</li> </ul> <p>Functionality of the Agri-Parks relates to making any of these three sub components of the Agri-Parks Programme serve the objective they are designed for as per the definition above. Priority will be given to Farmer Production Support Units during the early years then Agri-Hubs towards the later years.</p>
<b>Source of data</b>	Provincial Shared Services Centres (PSSCs), Provincial Departments of Agriculture (PDA), and any other stakeholder involved in the programme.

<b>Method of Calculation/ Assessment</b>	Simple count: Annual reports over 5 years
<b>Assumptions</b>	Public-Private sector collaboration both financial and none financial for the full development of the value chains.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women Target for Youth Target for Persons with Disabilities
<b>Spatial Transformation (where applicable)</b>	The Agri-Parks Programme operates per district and aims to optimize farmers access to production support, inputs, processing and markets
<b>Reporting Cycle</b>	Annual progress against the five-year target.
<b>Desired Performance</b>	9 Agri-parks fully functional
<b>Indicator Responsibility</b>	DDG REID and RID

## OUTCOME 7: TECHNICAL INDICATOR DESCRIPTIONS

### *Technical Indicator Description: Outcome Indicator 7.1*

<b>Title</b>	% compliance and enforcement with biosecurity policies and measures
<b>Definition</b>	Measure of compliance with biosecurity policies and measures through the management of risks posed by pests, diseases, weeds and invasive species to the economy, environment, and public health and safety
<b>Source of data</b>	Veterinary Procedural Notices Animal Diseases Regulations Plant Health Regulations Quarterly Reports
<b>Method of Calculation/ Assessment</b>	Basic count on compliance to bio-security policies
<b>Assumptions</b>	Provision of information by provinces
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	100% compliance
<b>Indicator Responsibility</b>	DDG: Agricultural Production, Health and Food Safety

## Technical Indicator Description: Outcome Indicator 7.2

<b>Indicator Title</b>	Community networks created to support government initiatives to promote biosecurity
<b>Definition</b>	Community networks are the networks that help in the implementation of bio-security measures and agricultural risk reduction to reduce the frequency and severity of losses
<b>Source of data</b>	Animal Health programmes Dipping tank assistance Minutes, proceedings and recommendations of Local Livestock Association meetings PDAs
<b>Method of Calculation/ Assessment</b>	Basic count of community networks created
<b>Assumptions</b>	Community participation
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Creation of community networks
<b>Indicator Responsibility</b>	DDG: Agricultural Production, Health and Food Safety







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RP 174/2020

ISBN: 978-0-621-48391-8



agriculture, land reform  
& rural development

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA