1 Introduction

In his State of the Nation Address on 9 February 2001, President Thabo Mbeki indicated that while balance and stability had been achieved at the macro level, the growth rate of the economy was still too low. In his address the President announced an action plan to:

- Move the economy to a high-growth path
- Increase competitiveness and efficiency
- Raise employment levels
- Reduce persistent poverty and inequality

The President indicated that these objectives could best be achieved through special attention within the Integrated Government Planning Framework to economic sectors demonstrating a high potential for growth and job creation. He highlighted agriculture, energy, tourism, cultural industries, certain export sectors (including agro-processing), and the information and telecommunications industry.

The agricultural sector, defined as all activities relating to agricultural input provision, farming and the processing and distribution activities that add value to farm products, remains an important sector in the South African economy despite its small direct share of the total gross domestic product (GDP).

It provides for two of the basic human needs, namely food and fibre, and has strong economic and employment linkages with the other sectors of the economy, thus contributing substantially to economic growth. It has successfully met these needs by increased productivity when the population of this country was a mere 4 million at the turn of the 20th century to the present 40 million. It is therefore a backbone of growth and development in South Africa because it provides a strong foundation and support to other sectors of the economy. Its influence on the economy has been demonstrated by the recent floods that destroyed parts of the Northern Province and Mpumalanga in February 2000, when the GDP growth rate dropped by about 1%.

Primary agriculture, which consists of production within the boundaries of the farm gate, accounts for less than 5% of the GDP of South Africa. The agro-food complex, which consists of primary production plus the input and agro-processing sectors, accounts for about 14% of the GDP. There are approximately 50 000 large-scale commercial farmers who are predominantly, but not exclusively, drawn from the white population. In 2000 they exported about R16 billion worth of products, or nearly 10% of South Africa's total exports. They employ about 1 million workers, which is 11% of total formal sector employment in the country. Many of these workers live on commercial farms and their children receive education in farm schools. Thus commercial farms provide livelihoods and housing to about 6 million family members of these 1 million employees and provided for their education needs.

There are also 240 000 small farmers who provide a livelihood to more than 1 million of their family members, and occasional employment to another 500 000 people. These

farmers supply local and regional markets where large numbers of informal traders make a living. Furthermore, an estimated 3 million household farmers who are located mainly in the communal areas of the former homelands, produce largely to meet part of their family's total needs. Finally, almost all the productive and social activities of rural towns and service centres are dependent on primary agriculture and related activities. This includes increasingly popular and economically significant agro-tourism and game-farming activities. More than half of the provinces and about 40% of the country's total population are therefore dependent mainly on agriculture and related industries.

This strategic plan has been developed by the Department of Agriculture, Agri SA and NAFU at the request of the President to translate the favourable environment into objectives, policies and actions that will lead to growth and development for all role-players in the sector. This request was a direct outcome of the meeting of the Presidential agricultural working group in March 2001, where the President challenged the stakeholders to identify a common strategy that would focus on the sector's unification and growth.

A number of strategic partners have been involved in the development and implementation of the strategic sector plan. These include government, farmers, agribusiness, agriservice organisations, organised labour, community-based associations and foreign organisations. These are all important role-players and clients of the strategic plan that is designed to serve the ultimate customer, the South African people to achieve the objective of a better life for all.

Although critical to the success of agriculture, the issue of organised labour was not specifically addressed in the document because most of those issues have been addressed in the recently completed "Common vision on farm labour". The issues in this document form an integral part of implementing this strategic sector plan.

The process of developing the Strategic Plan was preceded by a number of government documents and other strategies. All of these created a useful framework within which the agricultural sector strategy is shaped and include the following:

- The New African Initiative (formerly the Millennium African Recovery Plan) in which African leaders pledge a common vision and a firm and mutual conviction to eradicate poverty and to place their countries on a path of sustainable growth and development
- The Integrated Sustainable Rural Development Strategy with the strategic intent to transform rural South Africa into an economically viable and socially stable and harmonious sector that makes a significant contribution to the nation's GDP
- The Black Economic Empowerment Commission and the formulation of a national strategy for Black Economic Empowerment (BEE)
- The Land Redistribution for Agricultural Development programme (LRAD), a subprogramme of the land redistribution programme. The programme is designed to provide grants to previously disadvantaged South African citizens to access land specifically for farming purposes.
- The "Vision and Code of Conduct for Labour Relations in Agriculture" drafted by organised agriculture, labour unions and the Department of Labour. A similar shared vision on land reform is also now in the process of being drafted.
- The Integrated Government Planning Framework

- The 1995 White Paper on Agriculture and the 1998 Discussion Document on Agricultural Policy.

In the next section the vision for the agricultural sector is developed and defined. Section 3 subsequently highlights the current situation in the sector, which assists in identifying, in Section 4, the challenges for attaining the vision. The challenges for the sector lead to three core strategies, which are discussed in detail in Section 5. The three core strategies cannot function in isolation, and depend on five complementary strategies that are discussed in Section 6, which in effect, form the foundation for achieving the strategic goal. Section 7 discusses the "how to" of the strategic plan by highlighting the priority programmes and the structures and processes for implementation.

2 The vision for South African agriculture

The context and challenges given by the President as well as the basic premises and values of the new South African society dictate the vision for the agricultural sector. This vision is:

A united and prosperous agricultural sector

The vision defines a unified sector served by a unimodal policy framework designed to bridge the inherent dualism and to maximise the contribution of the sector to economic growth and development.

This vision implies *sustained profitable participation* in the South African agricultural economy by a full spectrum of economic entities, taking full cognisance of the importance of continued commercial production as well as the reality of the historical legacies and biases that resulted in skewed access and representation. The vision acknowledges the diversity of the sector and aims to ensure a place and role for all farmers in a united sector. Such a focus is considered appropriate for the current developmental state of the South African nation and will create the basis to accommodate and energise all groups of this historically divided society, *viz*. small, medium and large enterprises and historically disadvantaged groups (referring to race, gender, and youth categories).

In support of the vision for agriculture, the core focus for the strategic sector plan will be focused on the following strategic goal:

"To generate equitable access and participation in a globally competitive, profitable and sustainable agricultural sector contributing to a better life for all."

This strategic goal will guide all the relevant social partners in their quest to deliver a range of strategies and programmes. These programmes will be generated and implemented in accordance with the following *basic premises* and *value statements*:

- Fair reward for effort, risk and innovation
- Security of tenure for present and future participants
- Equitable access to resources and production factors
- The sustainable use of natural and biological resources
- Sound research, science, knowledge and technology systems
- Market forces to direct business activity and resource allocation
- A clear regulatory framework and effective government services
- Policy consistency and predictability
- Responsive partnerships between the private and public sector in policy formulation and service delivery.

The following outcomes are expected to flow from the successful pursuit of the strategic objectives:

- Increased creation of wealth in agriculture and rural areas
- Increased sustainable employment
- Increased incomes and increased foreign exchange earnings
- Reduced poverty and inequalities in land and enterprise ownership
- Improved farming efficiency
- Improved national and household food security
- Stable and safe rural communities, reduced levels of crime and violence, and sustained rural development
- Improved investor confidence leading to increased domestic and foreign investment in agricultural activities and rural areas
- Pride and dignity in agriculture as an occupation and sector.

3 The current reality of South African agriculture

South Africa is characterised by high levels of poverty, especially in rural areas where approximately 70% of South Africa's poor people reside. Their incomes are constrained because the rural economy is not sufficiently vibrant to provide them with remunerative jobs or self-employment opportunities.

There are many reasons for this state of affairs, but most of these are rooted in policies implemented in the past. While natural conditions such as climatic variability are notable risk and cost factors in farming, uncoordinated policies and the unintended effects of policies have in the past contributed to sub-optimal growth and investment in the sector as well. If rural areas had a foundation that would support greater earning and spending power, the rural economy would be stronger, grow and create more opportunities for wage and self-employment. Therefore, it could be argued that if the South

African economy had followed a different, labour intensive, inclusive and nondiscriminatory development and settlement path in the past, rural poverty would not have become such a pervasive feature of our present society and economy.

Economies generally grow by shifting human and capital resources out of the primary sectors (agriculture, mining), first into the industrial sector and later into the services sector. This has also been the case in South Africa, where the transition to a post-industrial age is already well under way. Yet there is evidence that in this process the primary sectors (such as agriculture) either failed to reach their full potential or did so in a distorted manner resulting in large numbers of people being excluded from the benefits of modernisation.

South African commercial agriculture has followed a more capital-intensive growth path, while significant agricultural resources (human and material) lie unused or underutilised in the former homeland areas. Both these phenomena have affected the income-earning potential of rural people. Further, the entrepreneurial abilities of Black farmers were suppressed, first by their exclusion from the commercial land market and then because commercially viable freehold farming was almost impossible in the former homeland areas. Employment opportunities in commercial agriculture were and still are largely limited to unskilled workers earning low wages, and a large share of total employment in commercial agriculture is of a seasonal and temporary nature only. Furthermore, this growth path has meant that upstream (input firms) and downstream (processors of food and fibre) industries relating to agriculture were stunted, therefore depriving rural people of economic opportunities.

These factors were largely responsible for creating the extreme dualism and inequality in agriculture. This dualism has created a polarisation of 'us' and 'them' among participants and has resulted in an approach to policymaking and service delivery that focuses on two agricultures rather than a single unified sector—one for commercial farmers and one for so-called 'emerging farmers'. There is therefore a complete lack of a common ('us/we/our') vision and understanding in agriculture and little sense of togetherness and belonging. This strategic sector plan seeks to end this divisive and harmful approach.

Since 1990, several processes have taken place to reverse discriminatory legislation and to improve participation, while at the same time several other initiatives have been implemented to deregulate and liberalise the sector. Some of these actions had positive results while others had unintended consequences. The main policy shifts in this regard included:

- Deregulation of the marketing of agricultural products
- Changes in the fiscal treatment of agriculture, including the abolition of certain tax concessions that favoured the sector
- A reduction in direct budgetary expenditure on the sector
- Land reform, consisting of the restitution, redistribution and tenure reform programmes
- Trade policy reform, which included the tariffication of farm commodities and a general liberalisation of agricultural trade including free trade agreements
- Institutional reform influencing the governance of agriculture
- The application of labour legislation to the agricultural sector.

These changes had major consequences leading on average to increased productivity and to a more competitive agriculture, although many farmers became more vulnerable to international shocks, unstable weather conditions, a worsening debt situation

and deteriorating terms of trade. This, together with new labour, water and land reform legislation, led to skewed perceptions regarding the aims of this legislation, heightened expectations of labour, and public statements by various pressure groups, contributed to a negative reaction among commercial farmers and a reduction in the number of full-time employees on farms.

The rapid process of deregulation and liberalisation in the past decade has also exposed the limited capacity of many farmers to adjust to policy and market changes. Greater exposure to international competition has affected their competitiveness negatively, causing many farmers to leave the industry. In this much more competitive and open economy, small-farming systems are also failing or finding it difficult to become part of mainstream agriculture.

Although a number of constraints and problem areas prevent the agricultural sector from operating at full potential, this is only part of the picture. There are positive indications that some farmers are doing well under the current circumstances. It is also evident that there is a good base and a positive attitude and willingness among farmers, agribusiness enterprises and government to tackle the following challenges and turn them into opportunities.

4 Sector challenges

From the foregoing discussion it is possible to identify the main problems of and challenges to the sector. The main challenge for South African agriculture is to unlock the untapped potential that lies in its people as well as the low profitability and competitiveness that constrains the participation of a full spectrum of people and economic entities. This problem is manifested in a number of subproblems—each providing its own challenges.

CONSTRAINED GLOBAL COMPETITIVENESS AND LOW PROFITABILITY

Indications are that the South African agricultural sector is responding positively to the challenges of increased competition. However, the progress remains partial, and there is evidence that some subsectors of agriculture and value-adding activities are uncompetitive in the local and international market. This is caused by factors such as high input costs combined with low productivity, sub-optimal business strategies and inefficiencies, and unfair trade practices. The lack of international competitiveness also leads to low investment in certain subsectors. This is perhaps the major challenge that needs to be addressed to put agriculture on the envisaged high growth and development path.

SKEWED PARTICIPATION

Given the legacy of exclusion and discrimination, the challenge is now to unlock the talents and creative energy of people and improve their participation in all aspects of

the sector and rid it once and for all of the many entry barriers rooted in its historical dualism. The challenge is to identify programmes to encourage new entrants: black and white; young and old; men and women; small and medium-scale enterprises, to enter the sector. Finally, it is important to find ways to ensure that all these different constituents of the sector genuinely feel and see themselves as belonging to a single entity.

LOW INVESTOR CONFIDENCE IN AGRICULTURE

The weak investor confidence in agriculture is caused by the low returns mentioned as well as the definitive and hard-core economic and social impact on investment and production such as farm murders, evictions and illegal occupations. In addition there are negative perceptions of agriculture, aggravating the situation. Investor confidence is necessary to achieve a vibrant and growing agricultural sector.

INADEQUATE, INEFFECTIVE AND INEFFICIENT SUPPORT AND DELIVERY SYSTEMS

This aspect is one of the key problem areas underlying each of the factors mentioned. The weakness of delivery and implementation of a wide range of government measures, regulations and programmes as well as ineffective support systems—all of which are critical to ensure an enabling environment for agriculture—is a major concern and a challenge to all government entities supporting the agricultural sector. Aspects that contribute to this problem are the fragmentation of certain services, inadequate resources, weak governance and accountability as well as poor executive decisions and often long delays in taking decisions.

POOR AND UNSUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

Unused land of good potential is very scarce in South Africa, and there is a limit to the horizontal expansion of agricultural production. In addition, the infrastructure and services to support sustainable land use, are inadequate. Government programmes aimed at protecting the resource base (i.e. LandCare and Working for Water) are successful but insufficient. Land degradation remains a problem on good and marginal lands. With increasing pressure on agriculture to raise output per unit of land, it is a major challenge to ensure that this does not take place to the detriment of our natural resource base.

5 Core strategies

The challenges identified need to be addressed with great urgency to enable the agricultural sector to move from its current reality to the strategic objective of "equitable access and participation in a globally competitive, profitable and sustainable agricul-

tural sector contributing to a better life for all". This objective is to be achieved by a strategic plan for South African agriculture consisting of three key elements, namely: equitable access and participation, global competitiveness and profitability and sustainable resource management.

5.1 Equitable access and participation strategy

The objectives of this strategy are to enhance equitable access and participation to agricultural opportunities; to deracialise land and enterprise ownership; and to unlock the full entrepreneurial potential in the sector. Its focus will be on land reform, start-up support packages for new entrants to farming, partnership and promotion of the sector.

This strategy addresses the historical dualism and processes of exclusion, and encourages the continued participation of those that are already part of the sector. It also promotes the development of a shared vision and common strategy for an inclusive and diverse agriculture that will cover the entire spectrum of enterprises and farm sizes, from the very small to the very large. Government will in this regard establish a framework for partnerships to implement this core strategy. The evidence of good solid partnerships and mentorship that is developing between existing commercial farmers and new entrants will be encouraged.

Sustained participation in the sector will be guaranteed only if we dispel the negative perception of agriculture as characterised by low profitability, indebtedness, security problems, consumer concerns for food safety, legitimacy issues and slow transformation—and therefore a sector in which people have no confidence and pride. Farming is stereotyped as dominated by Afrikaner males with an exaggerated sense of threat, marginalisation and neglect among existing and prospective farmers. Another farming stereotype is that black people are unable to or should not become anything above the social class of poor subsistence farmers. These views will be countered only if perceptions in and about agriculture are changed and replaced by the concept of a vibrant, successful and representative agriculture that also addresses environmental and food safety concerns by consumers.

To promote new entrants into the agricultural sector, focus will necessarily be on economic empowerment initiatives: on black people, on women, the disabled and on the youth of all races. The process of enabling black South Africans to become successful in commercial farming and agribusinesses will require well-designed and targeted efforts to level the playing field and to bring about a more representative and diverse sector. Furthermore, it is recognised that the youth of all races are the future and they should be encouraged to engage in agricultural activities. These efforts will be designed to produce a diversified and more efficient agricultural sector, which will provide the impetus for a growing rural economy, without penalising existing commercial farmers.

LAND REFORM

As a first step it is important to deal efficiently with land reform to ensure rural stability and market certainty. The process of economic empowerment in South African agriculture starts with improved access to land and the vesting of secure tenure rights in people and to areas where these do not exist.

To deal effectively with land reform, it is important that all avenues of land access such as restitution, redistribution and tenure reform be given adequate attention. These

processes will include, but are not to become the focus of this strategic sector plan, land uses for nonagricultural purposes such as housing, etc.

Following the slow progress with the implementation of land redistribution in the first five years after 1994, the programme has been redesigned. The new Land Reform for Agricultural Development (LRAD) programme has been designed to expand the range of support measures that will be available to previously disadvantaged South African citizens to access land specifically for agricultural purposes. It strengthens the philosophy of market-assisted land redistribution of the earlier land reform programme. International experience has shown that market-based programmes of state directed land redistribution tend to perform better than programmes that are operated exclusively by the public sector. The redesigned programme has the potential to speed up delivery of land, because it is a unified and simple programme and is driven by beneficiaries who can use it in flexible ways according to their objectives and resources.

The Government is committed to ensuring the success of this programme and ensuring that individuals from disadvantaged groups obtain access to land in a speedy and orderly fashion. It is, however, important that land should be used productively. This will happen only if other support services as well as training programmes are provided. It is, therefore, acknowledged that land reform and farmer settlement cannot take place in a vacuum and that provincial departments of agriculture and local government will have to play an important role in assisting beneficiaries. This will require that the capacity problems of provincial and local governments be addressed as a matter of urgency.

All possible options to secure rapid and sustainable land reform will be pursued. This will entail the disposal of publicly-owned agricultural land as the first area to focus attention. These will be complemented by measures such as equity sharing schemes, contract farming, rental farming, tenure reform in communal areas and private land acquisition.

Because the majority of the rural poor live and farm on communal land, issues of tenure security have to be urgently addressed. It is critical to provide improved incentives and investment opportunities in these areas. And because this is a sensitive matter, a process of continuous engagement with traditional authorities to ensure the success of this process will be undertaken. This will be accompanied by the rehabilitation of irrigation schemes in the former homeland areas and the transfer of their management and ownership to qualified farmers and communities.

Although land reform is the critical point of departure in ensuring broad-based participation in the agricultural mainstream, a number of support services need to be addressed simultaneously to ensure that the process of access and empowerment is successful and sustainable.

SUPPORT SERVICES

While considerable institutional energy and funds have been expended on providing access to land for new entrants to farming over the past seven years, less attention has been given to farmer support programmes. To date, post-land settlement support to participants in the land reform programmes has been organised on an *ad hoc* basis, with the result that its impact has been partial at best. At the same time, support services to farmers in the former homeland areas have all but collapsed.

There are two challenges regarding post-land settlement support services. First, if new farmers are to be empowered to play a constructive role in the development of agriculture, it is necessary that they should have access to support services. Yet experience from Africa has shown that this should not be done on an *ad hoc* and discriminatory

basis. Research has also shown that support services to small and medium-scale farmers should not be separated from those provided to large-scale commercial farmers. Therefore, the first challenge is to improve and expand the existing support services to meet the needs of all farmers. This includes the continuation of a range of ongoing activities such as the strengthening of service delivery institutions for research, financial services, market access and development, training and skills development and Provincial Departments of Agriculture.

The second challenge is to provide targeted support to new farmers. Three key initiatives will be undertaken in this regard:

- The provision of post-settlement support to farmers who benefit from land reform's restitution, redistribution and tenure reform. Post-land settlement to this end requires better coordination primarily between the Departments of Agriculture and Land Affairs, between national and provincial governments, and with local authorities and farmers' organisations and agribusiness.
- The identification of new farmers from historically disadvantaged groups who have gained access to land by private purchase, rental, bequests, etc. A needs assessment to establish their requirements in terms of access to support services will be conducted, and the geographic areas and service categories where their needs are the greatest will be targeted for preferential support service provision.
- The initiation of innovative development programmes for farmers on communal land. The emphasis will be on solving problem areas and on steps to assist these farmers to become successful producers in the shortest possible time. This will require proper access to markets, training, tenure reform, infrastructure and targeted support services. Programmes in collaboration with commodity organisations, local agribusinesses and cooperatives will be initiated to provide positive incentives to ensure their participation.

Principal stakeholders in the sector must be commited to focusing their attention on these farmer support programmes to create an inclusive us/we/our agricultural orientation by, amongst others, promoting partnership programmes, strategic work sessions and joint ventures in the following specific areas:

- Improved market access and removal of market barriers to new entrants
- Enhanced transfer of technology to new farmers through one-stop farmer support centres at local level
- Implement a human resource development plan, which includes young entrepreneurial development and mentorship projects
- Improved access to a comprehensive range of rural financial services *via* outreach and efficiency of rural finance institutions
- Improved focus, collaboration and coordination between government institutions, organised agriculture, nongovernment organisations and civic associations that are involved with farmer development programmes through forums at national, provincial and local level. Such forums could be used to identify needs and appropriate programmes that should receive priority, discuss and resolve problem areas with existing programmes, explore the need for incentives and public-private partnerships to improve the viability of programmes and to make inputs with respect to policies and policy instruments
- Improved ability and efficiency of the extension personnel within the private sector and Provincial Departments of Agriculture.

Increased participation in agriculture will be supported by programmes to assist new entrants with on-farm infrastructure. Examples include support for fencing, dip tanks, contours, soil conservation works, finance for livestock purchases and boreholes.

Collective action is in many respects logical to empowering farmers. By working together, farmers identify members' needs and consolidate their demands, aggregate their economic power and address market failures. The Government will therefore support farmers' organisations to build their own capacity and to develop internal communication mechanisms. In this regard a stronger partnership between NAFU and Agri SA will be encouraged as a powerful vehicle for empowering all farmers.

Agricultural cooperatives in South Africa are an important structure for supporting new farmers. Existing cooperatives can play an important role, but the establishment of cooperatives in poor rural communities should also be encouraged. Earlier efforts in this regard failed owing to poor ethics and values among members and management and also as a result of lack of managerial capacity and skills, resulting in poor business practices. New measures to kick start the development of cooperatives through capacity building and responsible financial support measures will be undertaken.

There is a general lack of *infrastructure* in the former homeland areas, while calls abound for upgrading and maintenance in former white rural areas. This has the result of making these areas uncompetitive. In order to address this infrastructural inequity and calls for improved service provision, Provincial Departments of Agriculture and local authorities will be requested to review infrastructure gaps and ensure that a coordinated list is provided in the Integrated Development Plans for infrastructure development. This will include attention being given to rural towns and service centres. Agriculture will be included in the focus of the identified priority local nodes.

Modern farming has changed as a result of economic pressures. Farmers are resorting to cost-saving measures such as diversification, extensification and value adding as ways to address declining profit margins. These strategies often imply switching to much larger operations. The changing nature of farming also means that there is an implicit entry barrier for many potential new entrants to farming. To address these economic challenges, new innovative measures will be designed to make it possible for people to enter the industry under the current conditions.

Although several roles are earmarked for the Government in the access and participation strategy, it is important to note that the private sector—implying agribusinesses, farmers, cooperatives, farmer organisations—has a much more important role to play in fostering empowerment and participation. It is now urgent and necessary that the private sector take up this challenge of empowerment and improved equity. Incentives will be developed to encourage private sector involvement in the agricultural development and empowerment process.

5.2 Global competitiveness and profitability

The aim of this strategy is to *enhance profitability through sustained global competitiveness in the agricultural sector's input supply, primary production, agro-processing, and agri-tourism industries*. Six factors determine and shape the environment in which the sector competes and promote the creation of competitive advantage. These are:

- Factor conditions
- Demand conditions
- Related and supporting industries

- Firm strategy, structure and rivalry
- Government attitude and policy
- The role of chance.

Each of these factors is now addressed with specific strategic actions to improve agriculture's competitiveness.

FACTOR CONDITIONS

Factor conditions refer to factors of production, availability and quality of natural resources, level of input prices such as labour, diesel, pesticides, machinery, knowledge and infrastructure. These factors are necessary for the sector to be globally competitive and profitable.

Recent studies have shown that factor conditions in South Africa constrain competitiveness in the agricultural and agro-processing sector. Most important in this regard are input prices, the productivity of the natural resource base, the cost and quality of unskilled labour, the cost of skilled labour, administration costs associated with hiring and managing labour, the quality of infrastructure, the cost of capital and the cost and availability of technology.

In comparison with the major grain producers of the world such as the US, EU, Argentina and Brazil, South Africa has relatively low-potential soils, a dry and unstable climate, and a high- cost economy. These factors make it very difficult for South African agriculture to compete with these countries. Therefore, in order to be competitive, the option open to farmers in the absence of state support is to be more efficient and to reduce production costs mainly by using fewer inputs more effectively.

Many farmers and agribusinesses have successfully implemented programmes of rationalisation, cost cutting, improved labour management and cost-effectiveness as part of a strategy to reduce production costs. However, this provides only partial and temporary solutions for many small and medium-size farms and agribusiness enterprises. Government programmes that impact on lowering the overall cost of production are therefore required to become an important component of a competitiveness strategy.

Of specific importance are fuel, transport and capital costs. Transport costs are influenced largely by inadequate and poorly managed transport infrastructure. Examples of these include the unavailability of railcars for bulk transport, lack of internal competition in rail and port services that result in unreliable and expensive services, limited and costly air freight for agricultural produce, damaged and inadequate national road infrastructure and poor communication infrastructure. These factors alone make production costs in agriculture on the African continent four times more expensive than in Asia, America and Europe.

Government has an important role in addressing these issues. To this end, the following programmes will be considered:

- A further reduction in the taxes and duties on diesel and other inputs
- Government structural adjustment incentives to reduce the costs of switching into competitive products
- Innovative financing instruments to help new and existing farmers manage the effect of high interest rates on cash flow

- A review of rail transportation requirements in the light of the road-to-rail policy for agriculture
- Implementation of the "Vision and Code of Conduct for Labour Relations in Agriculture" drafted by organised agriculture, labour unions and the Department of Labour, together with further labour market reform.

DEMAND CONDITIONS

The size, growth and composition of the domestic market play an important role in making an industry globally competitive. Strong local competition is important and only in rare cases can an industry that is not competitive in its domestic market become globally competitive. As long as the economic growth rate is lower than its potential growth rate, the size of the South African market and its slow growth rate for food and fibre products will hamper agriculture competitiveness. Therefore, the critical importance of developing local market demand, which includes but is not limited to the promotion of niche markets and the encouragement of agri-tourism and rural non-farm enterprises and activities.

Market opportunities are often not developed owing to a lack of information. The quality, availability and cost of market information seriously affect the competitiveness of many entrepreneurs in the agri-food complex. Without reliable and timely information, new local markets develop too slowly. In addressing these constraints the following programmes will be considered:

- A business intelligence system for primary agriculture and the agribusiness sector that will provide vital information for business decisions and market development
- The continued improvement of the statistical function in the Department of Agriculture in collaboration with industry and Statistics South Africa
- Development of new local businesses through an incubation process in rural areas.

RELATED INDUSTRIES

The presence of supplier industries that are globally competitive, such as input industries, financial institutions, research institutions, transport companies, suppliers of packaging material, and suppliers of utilities such as electricity and water have an impact on competitiveness of the agricultural sector.

Increased market concentration among input suppliers and distributors as well as increased domination by multinational firms may negatively affect the competitiveness of the agricultural sector. The power of these firms and lack of competition within the sector may result in high intermediate input prices. In this regard the Government will monitor the competitive practices in agricultural input and distribution industries and, where necessary, review tariff levels or enforce the Competition Act.

Initiatives to unlock the growth potential of primary agriculture proceeds from the fact that producer prices of primary products like grains and oilseeds increase at a slower rate than their input prices over time. The task of producers is to increase their production efficiency through more efficient employment of inputs and production techniques. This means that the key to more efficient production and improved competitiveness lies in the availability of more competitive inputs and the application of improved production technology. Increased efficiency depends on the application of improved technology. Agricultural research, training and extension_institutions are therefore critical for the sector.

Financial institutions are an important link in ensuring the competitiveness of the sector. Commercial farmers are usually well served by the commercial banks and the Land Bank. These institutions, however, have a limited outreach and services in poor communities. Further, many small farmers are excluded from most financial services, owing to a high perceived risk profile, which includes amongst others, a lack of collateral. Efforts to develop innovative substitutes for collateral will therefore be encouraged. The establishment of locally-based and micro-financial institutions that include financial service cooperatives and village banks, will also be promoted.

SUPPLY CHAIN PERFORMANCE

Conditions that govern how farms and agribusinesses are created, organised and managed, and the nature of domestic rivalry, have a significant effect on the competitiveness of the sector. A sound competitive environment in the sector through the effective application of competition policy, good business management and skills must be ensured. Managerial capabilities of farmers and the market power of buyers are very important factors in the competitive success of the agro-food sector. Retail chains have become large and extremely powerful in negotiating and determining producer prices locally and internationally. Farmers have as a result been at a disadvantage in price negotiations. To improve the bargaining power of farmers, it has become important to form partnerships and long-standing trust relationships between different role-players in the supply chain and to promote supply chain interaction to allow opportunities to add value. Measures will be taken to encourage the development of competitive supply chain partnerships within major commodity groups.

ENABLING POLICY ENVIRONMENT

Government influence can be positive or negative, depending on its policies, programmes and operational systems. A perception exists in certain quarters of the agriculture fraternity that some government policies and a lack of effective implementation of government programmes are constraints to the competitiveness of farming and the agro-food industry. While perceptions differ among existing commercial farmers and new entrants to the sector, there is agreement that the inadequacy and fragmentation of certain services, weak governance and accountability and poor executive decisions as well as slow implementation of executive decisions are matters requiring urgent attention. Government will therefore give particular attention to improvements at all levels of service delivery.

RISK MANAGEMENT

Agriculture is per definition an industry that is confronted by risk in the form of climatic variation, pests, disease and price risks as well as natural disasters such as droughts and floods. In the South African context HIV/AIDS, crime, high and fluctuating real interest rates, natural disasters, and unstable prices caused by the unpredictable climate are the most important factors that increase cost and constrain competitiveness in the agro-food and fibre complex.

An effective risk management strategy is critical to the promotion of risk management tools such as crop insurance products, asset protection and the agricultural futures market. Another component of a comprehensive risk management strategy is an early-warning system that includes adequate access to and utilisation of timely, accurate, relevant and free information about the weather. While this is currently not being done adequately, such information will now be made available through rural information

centres through the Agricultural Geographic Information System. Government will promote the wider use of this information system by other information suppliers.

The recent outbreaks of foot-and-mouth disease and karnal bunt have emphasised the importance of dealing effectively with pests, animal and plant diseases. An inadequate regulatory and institutional framework (e.g. increasing international obligations, split responsibilities, weakened veterinary capacity and absence of infrastructure), together with a fragmented and inadequate inspection capacity leaves this sector exposed.

The recent restructuring process of plant and quality control and veterinary services is a first step to address this problem. This process will be continued in conjunction with a policy and statutory review of the country's management of plant and animal diseases. In addition, a protocol for dealing with SPS emergencies and plant and animal health matters is being formulated, as is the establishment of an independent food safety body with increased capacity for improved control. In the light of the move to a free trade dispensation in the SADC region, South Africa will take the lead in promoting regional cooperation on SPS matters (building of capacity, harmonisation of standards and procedures, etc).

Price risk is per definition part of a deregulated agricultural market. Dealing with price risk by applying various risk management tools such as the futures market will become important for all farmers. Government, in collaboration with the private sector, will launch a comprehensive training and awareness programme among farmers to encourage the use of risk management tools such as the agricultural futures market. Market and price risk is also reduced through good and timely market information. Here Government, through its statistical capacity, still has a major role to play, while other initiatives such as the recent creation of an Agribusiness Intelligence System will also be encouraged. These efforts will provide farmers and agribusinesses with the market intelligence required to make informed business decisions and minimise market and price risk.

South Africa currently has no dedicated agricultural support schemes and no permanently functioning institutional structures for disaster management. In this light the creation of an institutional capacity to implement disaster management and to establish comprehensive schemes to deal with disasters such as floods, fires and droughts in the agricultural sector is underway. Such schemes may include income equalisation schemes and risk insurance programmes that will be designed in partnership between Government, farmers and private insurance firms.

Finally, current government efforts to manage the HIV/AIDS pandemic, to combat crime, and to ensure macroeconomic stability will be stepped up to reduce other risk factors to the sector.

INTERNATIONAL TRADE

Increasing competitiveness is underpinned by the necessity to sustain the integration of the sector in the global economy and is reflected by its ability to sell its products on world markets. This could contribute to higher economic growth through increasing market access.

Government actions to support trade opportunities are important but will require addressing excessive support and protection to world agriculture, markets and trade diplomacy to level the international playing field for South African agriculture.

South African agriculture has to cope with an environment that is characterised by an escalating level of transfers to agriculture, high and escalating tariffs and lack of transparency by developed countries. The markets in these countries are also characterised by nontariff barriers in various guises such as complex plant, animal and human health measures. Domestic procedures and border controls are generally insufficient to cope with dumping, illegal imports as well as adequate application of SPS and quarantine measures at ports of entry. Local SPS measures and standards have in the recent past not kept pace with the growth of imports and exports, while demands by industries with respect to SPS issues have often not been given the desired priority by Government or are subjected to costly time delays.

An export-oriented culture is lacking in all but a few parts of South African agriculture and the creations of export councils for agriculture are a relatively recent innovation. Dedicated support to agricultural exports has been lacking since the removal of the general export incentive scheme in 1997.

In essence, a demand side approach (i.e. removing market access barriers and unfair competition) as well as a supply side approach (i.e. export promotion) is needed to fully reap the economic benefits of international trade. This will *inter alia* require the following:

- Better coordination between the relevant authorities in DTI and DOA
- Effective participation in the WTO to address excessive and distortionary support and protection of world agriculture
- Trade promotion initiatives with a strong South African identity (i.e. Proudly South African), high-quality brand names and direct and dedicated support of the agricultural-manufacturing complex (e.g. export market promotion and credit guarantees)
- Proper cost-benefit analysis of trade deals in the process of formation and/or finalised
- A clear and equitable tariff protection policy pertaining to the agricultural sector, and a shortening of the relevant tariff processes
- Transboundary cooperation in e.g. SADC aimed at obtaining a critical mass in export processing, distribution and marketing or reducing unit costs through pooled investments relating to trade-specific research
- Effective border controls to counter illegal imports, fraudulent import activities as well as poor application of SPS and quarantine measures and rules of origin. In addressing these issues Government is already in a process of improving its inspection service, increasing staff at border posts and assisting SARS in upgrading its border facilities as well. In addition Government will limit border posts for entry of agricultural goods to more manageable numbers and ensure that all are linked electronically with Head Office
- In a further measure to improve international trade opportunities attention will be focused on improving the capacity and understanding of sanitary and phytosanitary measures. In this regard Government will launch a trade-related priority campaign to proactively engage and establish relationships with the SPS authorities in current major and potential export markets to ensure measures are science based, harmonised on international standards and that mutual recognition is applied. Furthermore, Government will jointly engage with SADC partners in international standard setting bodies with a view to maintaining manageable but scientifically-based international standards

- Government will promote an export orientation and facilitate processes within the relevant export sectors to enhance competitiveness on export markets through the Export Council and Joint Action Groups
- A programme to promote trade opportunities for poor rural communities (export led poverty reduction programme).

5.3 Sustainable resource management

The objective of this strategy is to enhance farmers' capacities to use resources in a sustainable manner and to ensure the wise use and management of natural resources. This will require a long-term view with a clear vision and values that will guide the present use of resources to ensure their long-term supply. This strategy will impact on landcare, land redistribution, land use in the urban environment, zoning of high-potential agricultural land, the preservation of sensitive land areas, biological diversity and water systems, etc.

Central to this strategy is to preserve agricultural biodiversity and to promote the sustainable use of soil and water through the enhancement of crop and livestock productivity in intensified and more sustainable farming systems. Farmer participation is the key to the success of the strategy. In addition innovative approaches to link natural resource management to support programmes could provide a win-win situation which will result in short-term economic benefits for the farmers and at the same time contribute to the longer-term objective of preserving the natural resource base.

Degradation of soil and water resources poses a serious threat to the country. Strategies need to be designed to overcome the causes of degradation. Strong institutional support structures and incremental change to existing farming practices will be required to improve soil and water use. Introducing more robust farming systems through well-coordinated rotation systems could make a major contribution in this regard.

Soil, water and conservation programmes will be focused on areas where there is a reasonable chance of success: where population pressure is high, opportunity costs for labour are low, land security is high, productive technologies are available and where there is access to markets, inputs and services. As such the successful implementation of agricultural support services could make a meaningful contribution to the sustainable use and management of natural resources.

Further programmes that are currently being considered to improve sustainability are:

- The development of plant breeding strategies that maintain and enhance genetic diversity
- *In situ* conservation of endangered agricultural species and varieties in economically viable farming systems
- Investment in infrastructure and services to support sustainable land use
- Development of a biotechnology strategy to serve the best long-term advantage for South Africa and its peoples
- Encourage horticultural production for health and income reasons
- Putting production and sustainability within a farming system perspective. This supports environmentally friendly production systems, including integrated production, integrated crop management and organic farming.

Focused programmes and activities will be balanced by a holistic view and principles of sustainable management of natural resources.

6 Complementary strategies

Various elements of the core strategies (i.e. the equity, competitiveness and sustainable resources use strategies) are crosscutting and will contribute towards creating and restoring confidence in agriculture. Government considers confidence as vital to the future growth of the sector. With this in mind the following essential supporting and enabling strategies have been identified:

- Good Governance
- Integrated and Sustainable Rural Development
- Knowledge and innovation
- International Cooperation
- Safety and Security

These strategies are vital because they provide the critical foundation without which the strategic goal of a competitive, inclusive and sustainable agriculture will not be realised. These strategies will be given high priority and are now discussed in further detail.

6.1 Good governance

The principle of good governance is a universal link that runs through the entire strategic plan. It applies not only to Government but to all the other role-players in the sector. Within Government a framework of good governance to build a coherent, customer-oriented and transparent agricultural public sector will be top priority to ensure a sound foundation for reaching the strategic goal.

A key component of the good governance strategy will be partnerships. In the first place Government will develop a framework for partnerships between the public and private sector and NGOs to give effect to the core elements of the sector strategy, namely equity, competitiveness and sustainability. This framework will include the following:

- Protocols of cooperative governance between and within the spheres of government departments
- Service delivery standards in line with Government's service delivery policy of Batho Pele
- Partnership agreements between Government and commodity groups and farmers' associations

- A chapter in the Integrated Development Plan to guide Local Governments on strategic aspects relating to agriculture
- Shareholder compacts between Government and public entities such as the National Agricultural Marketing Council, Agricultural Research Council, and Land Bank
- Service delivery agreements between provincial governments and national public entities
- National government capacity building programmes to support public entities, provincial and local governments.

The quality and efficiency of services delivered by Government will be important in achieving the goal of a more representative agricultural sector. Certain government services and policies are also important for improving competitiveness in the sector. Examples are a sound and functional regulatory framework and effective governance in general. For this reason a new service delivery protocol will be drafted in order to increase the responsiveness and accountability of all public and private service providers to farmers' and agribusinesses' needs. The value of outsourcing services will also be addressed. An increase in efficiency and flexibility will be obtained by decentralising, contracting and sharing costs for services. Particular focus to this end will be given to the following:

- Choosing the local entity to receive the decentralised responsibilities
- Setting a legal and contractual basis for the devolution of responsibilities and flow of funds
- Formulating the institutional "rules of the game"
- Preparing standard terms of reference for the contracted entities
- Establishing qualification guidelines
- Establishing standard contract and procurement procedures
- Establishing the principle that each participant must contribute optimally to the process
- Establishing the consequences for noncontribution

Another aim of the good governance strategy is to position Government as a partner with credible, consistent and predictable policies and programmes that ensure the delivery of optimum benefits to agriculture. Specific actions that will be implemented to this end will include the following:

- Redesign MinMec into a Council of Agriculture Ministers to direct the management of government activities in meeting strategic agricultural sector objectives in the country
- Redesign the Intergovernmental Committee on Agriculture as an Agriculture Management Committee.

The final aim of the strategy of good governance is to build an integrated and systematic approach to identifying, managing and sharing agricultural knowledge and information assets of the public sector. Key aspects will include the development of a guideline, an institutional framework and processes for knowledge management in agriculture.

The protocols of cooperative intergovernmental governance will, amongst others, introduce a legislative framework for intergovernmental relations on agriculture; clarify

the roles and responsibilities between the national and provincial departments of agriculture and local government; establish the framework to guide and manage the formulation, alignment, implementation, monitoring and evaluation of policies and programmes; establish a framework for integrated coordination of budget planning and expenditure; introduce an information management system; introduce a framework and norms and standards for human resource development plans and implementation; and facilitate institutional capacity building for PDAs and local governments.

The protocol of community-public-private partnership, on the other hand, will focus on ensuring that each social partner involved in this process is encouraged to contribute something. The protocol will also ensure that social partners are encouraged to play a leading role in areas of their relative comparative advantage. To this end, Government will generally cover areas of public goods and services such as policy, legislation, regulations, public infrastructure and services. For its part, industry and farmers will be expected to contribute to the development and effective running of their enterprises and representative organisations and to articulate their interests to Government. Joint ventures are also envisaged between Government, industry and farmers where each cannot undertake the enterprise alone. Some of the areas in question include human resource development, provision of extension services, formation and development of farmer organisations, and research and transfer of technology.

Finally, Government is in the process of establishing a framework of service delivery standards, which will be made known to its social partners and the nation in general. In terms of the Batho Pele policy on service delivery, the purpose of service delivery standards is to enable social partners and the public to hold Government to account for the services it has committed itself to providing and at the promised level of quality standards.

6.2 Integrated and sustainable rural development

The strategic intent of the Integrated and Sustainable Rural Development Strategy (ISRDS) is to transform rural South Africa into an economically viable, socially stable and harmonious sector that makes a significant contribution to the nation's GDP. The ISRDS will therefore be beneficial to agriculture and the entire rural sector.

The strategic perspective that the sector plan has regarding the ISRDS is in the promotion of the following areas that are vital to agriculture:

- Local economic development with particular attention focused on rural towns, service centres and villages
- Strengthening the profile and role of agriculture and related industries in the Integrated Development Planning processes of especially rural local authorities
- Special attention given to the promotion of income generation and livelihood activities by women, the youth and disabled that are primarily geared to meeting the needs of poor families and local market demands
- Rural development nodes
- Rural settlement planning to accommodate new settlement patterns that are evolving since the removal of apartheid settlement laws and the dawn of the post-1994 democratic order.

Strong government support and dedication to successfully implement the Integrated and Sustainable Rural Development Strategy (ISRDS) is vital to the success of this sector

plan. The strategy will benefit the rural poor generally, but particular efforts will be made to target women, young people, and the disabled. A successful agricultural sector will form an important component of integrated sustainable rural development and *vice versa*.

6.3 Knowledge and innovation

The world economy is rapidly being transformed into a knowledge and network economy. In this world, cutting edge innovation and knowledge are crucial for sustained competitiveness and profitability. It is for these reasons that the strategic partners place science and technology as a vital complementary strategy. The main aim of this strategy is to increase the visionary and innovative capacities of role-players and link these to the future market place.

This must lead to increased investment and use of the most advanced and recent products from research, training and extension systems. By implementing this strategy the sector endeavours to use primary research and relevant education programmes to promote new and strategically important technologies, (biotechnology, information, communication) and a range of value-adding technologies to extract future value. The latter will enhance the sustained competitiveness of South African products in world markets and help to meet the stricter food safety requirements imposed by countries of the North.

A specific action that will be implemented is to raise investment in agricultural research, education and extension from the current low level of 1,04% of agriculture's contribution to the Gross National Product to meet the international benchmark of 3% of agricultural GNP, which is comparable to the 3,7% in the USA; 4% in Australia, and 2,1% in the EU, in order to meet the challenge to the sector set by Government and global developments in general. To this end, particular attention will be given to:

- Promoting collaboration between the ARC, University Faculties of Agriculture, Provincial Departments of Agriculture, agribusinesses and other agricultural research institutions to refocus on strategic priorities, innovation and adaptive research
- Establishing the National Agricultural Research System to integrate, coordinate and link agricultural research with industry and international agricultural research organisations and extension services
- Re-evaluate the funding basis to promote partnerships between agricultural research institutes, universities and the private sector

Over the years the South African agricultural research system has produced impressive results despite its bias in favour of large-scale farmers, and there is therefore an argument in favour of further support for a "known winner". The decline over the last decade in total investment in agricultural research and technology development does not meet the challenge posed by the President for technology development and the central positioning of the sector as a leader in the rural economy. Government will increase the funding for agricultural research to promote the continuous improvement in competitiveness and leadership in information, communication and biotechnology that is vital to South African agriculture's future.

The high cost of acquiring technology could be overcome through joint ventures with the R&D and technology industry. Government's leading role in this regard will include:

- Ensuring that agricultural research efforts of the ARC, the University Faculties of Agriculture, the PDAs and other agricultural research institutions are coordinated and focused on strategic priorities aimed at sustained competitiveness. The current process of establishing a National Agricultural Research System will have this as one of its objectives
- Ensuring that economic, social and environmental effects are taken into account in the development of new technologies
- Fostering institutional rationalisation within the agricultural research community where appropriate
- Facilitating agricultural research institutions' access to financial resources
- Providing support for contractual relations between agricultural research institutions and representative industry organisations, and with regional and international agricultural research entities.

6.4 International cooperation

Globalisation has brought with it a revolution in terms of the ready availability of information and technology, increased movement of goods, services and people across borders, increased wealth but also an unfortunate continued widening of the gap between rich and poor.

South Africa's prominence as a new model democracy has dramatically increased demands on it for international participation in various forums. These demands have strained its capacity to make the most effective use of opportunities and meet challenges of being a world player in many international fields. The rapid rate of change in agricultural governance, research, trade and environment and domestic and continental food security concerns are compelling reasons for South Africa to remain at the forefront of developments that affect agriculture. Our interests in international cooperation in the field of agriculture are determined by political, trade, technical and training imperatives that are important in supporting the Strategic Plan for the agricultural sector.

South Africa has assumed a leadership role in championing initiatives that favour development in the region and Africa in general. Prime examples are the SADC Trade Protocol, the New Africa Initiative and key positions and alliances in multilateral institutions leading to positive development implications for agriculture in Africa. The Government has identified international cooperation and development friendly outcomes of international treaties as priorities for the medium term, and is reorganising itself to more effectively meet the challenges posed by increased demands for international representatives in the USA, Europe and Far East.

Demands for home-grown technical assistance in the field of agriculture emanate from the New Africa Initiative, SADC initiatives and from bilateral meetings with African countries. Government, in cooperation with various stakeholders, will take the lead in developing a technical assistance framework aimed at instituting a proactive programme to support capacity building and development in the region and on the African continent. To this end, Government will aim to collaborate with non-African partners.

In South Africa, Government will engage foreign donors to formulate an investment programme to support agricultural development in line with the strategic plan.

While international research has led to new consumer products, the greater availability of information has awakened civil society concerns over food safety, fair labour practices, etc. Increasing consumer concerns over food safety in important foreign markets put our exports at risk and require informed and proactive responses and interventions from Government. Consistent interaction with international standard setting bodies, e.g. FAO Codex Alimentarius, the International Plant Protection Convention, the International Animal Health Association (OIE) and conventions and movements that might impact on agriculture such as those involving the environment, new technologies and intellectual property are key strategic imperatives for South Africa in the new millennium. Government is committed to increasing its involvement and strengthening capacity and resources to interact with these institutions in an organised manner over the next three years.

6.5 Safety and security

Rural crimes have become a shocking statistic. This threatens rural stability, which will eventually constrain investment and ultimately economic growth in rural areas. A comprehensive and dedicated strategy is needed to combat the high rate of violence, crime, social suspicion and tension that dominates rural areas and to promote good working conditions, neighbourly relations and greater confidence in affected communities. In terms of such a strategy the following critical issues will receive priority attention in the short and medium term:

- Formation of a National Peace and Security Forum drawing members from all key rural stakeholders—to complement existing initiatives in combating rural violence, crime, social suspicion and tension that dominates rural areas and to promote good working conditions, good neighbourly relations and greater confidence within the different communities
- Revitalisation of the criminal justice system and support structures of the system to be seen and experienced as a deterrent to crime
- The staffing of the SAPS and SANDF as well as the part-time forces with adequately trained and experienced police and defence force personnel to enhance the capabilities of these forces to combat criminal activities in the country, especially in the rural areas
- Specific human and financial reserves to be dedicated to the SAPS and SANDF to enable the security forces to execute their mandate in terms of crime prevention and the implementation of the rural safety plan. These funds will be prioritised and allocated to be used in operations and activities to combat farm attacks and rural crime
- The strategic importance of the National Operational Coordinating Committee (NOCOC) Priority Committee, as coordinating structure of all role-players in the rural protection plan, will be reinforced by the necessary human and financial resources to enable it to implement the rural protection plan and to coordinate activities between role-players and Government.

7 Implementing the strategic sector plan

The vision of "*a united and prosperous agriculture sector*" requires partners to have action plans, key performance indicators, service delivery standards, monitoring and evaluation systems and time frames in order to realise the integrated strategic plan. It also requires Government to do things differently—with greater speed and urgency and in partnership with farmers, agribusiness, NGOs, and other government departments.

It is evident from the strategic framework presented here that the action plan to enhance participation, competitiveness and environmental integrity in the agricultural sector requires concerted efforts to ensure the following:

- Proper coordination among the various entities involved in implementation, including within and between the public, private and voluntary sectors
- Goal orientation among all these entities, to ensure that all are focused on achieving universal benefits, rather than merely sectional interests
- Capacity building at all levels, and in the many dimensions, ranging across the spectrum from advanced scientific knowledge to greater participation in project implementation at grassroots
- Sound planning of the implementation process to ensure that projects are started and completed at the right time, and to oversee coordination between the various entities and projects
- A proper sequencing of implementation actions with the necessary support actions (capacity building, institution building, planning, etc.)
- Monitoring of progress to ensure the proper management of the implementation process. This requires special attention to the provision of information and to management information systems as well as installing a monitoring and evaluation system.

An action plan cannot be detailed without the full participation of those charged with the responsibility for its implementation. The strategic plan makes provision for a proposed protocol of community-public-private partnerships and calls for joint implementation. To this end, a permanent joint committee will be set up between the stakeholders involved in this strategic planning initiative, namely the Department of Agriculture, Agri SA and NAFU. The primary functions of this committee will be to:

- Define in detail all the strategic initiatives identified. These will include the specific action steps that are envisaged, the identification of those responsible for their implementation, the identification of other entities that need to become involved, the identification of other resources (financial and other) and the specification of timetables for implementation
- Create a management structure with the task to support the entities charged with responsibility for the implementation of each of these programmes, whether the

entity is in the public, private or voluntary sector. This support will be of such a nature as not to interfere with the prerogatives of the responsible institution

- Create a reporting framework based on a plan for the monitoring and evaluation of the programmes and projects that make up the strategic plan. The permanent joint committee should report the results of these actions to the principal stakeholders on a regular basis.

PRIORITY PROGRAMMES

As a first step to move the strategic plan closer to implementation the strategic partners identified the following priority programmes:

- Implementation of the safety and security strategy to bring rural stability and confidence
- Improved governance and implementation of partnerships and a mentorship programme
- Fast track the programme of land redistribution for agricultural development (LRAD)
- Transform the system of agricultural technology development and transfer towards being more market responsive
- Establish a broadly accessible market information system (information systems, economic analysis capacity in each province)
- Develop and operationalise an effective risk management system (plant and animal health system, natural disasters, credit guarantees)
- Ensuring fair competition—locally and internationally
- Implementation of the shared vision on labour and land reform
- Process of empowerment in all sectors of the agrifood sector. In this process mentorship programmes are critical and will be established immediately with full government support
- Targeted investment to enhance competitiveness (infrastructure: water, electricity, telecommunications, rail, air, road, financial services; training, mechanisation)
- Lowering the overall cost of production, including a further reduction in the taxes and duties on diesel and other inputs.

PROCESSES

The permanent joint committee will be responsible at national level for the monitoring of progress and will oversee the programme of implementation. Working groups or task teams will be the key to the implementation process in the provinces and will report to the permanent joint committee. The strategic partners have to determine how resources (human and financial) from each partner are committed and managed in the process of implementing the various programmes and strategies.

The first and most important step is to communicate this strategy as widely as possible. The idea is that this document should be read widely and that information on the implementation programme should be shared regularly with all role-players. The process of delivering the sector strategic plan has thus begun.