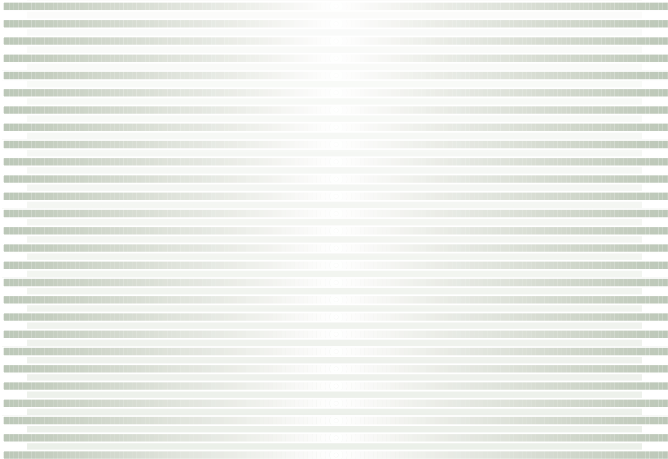
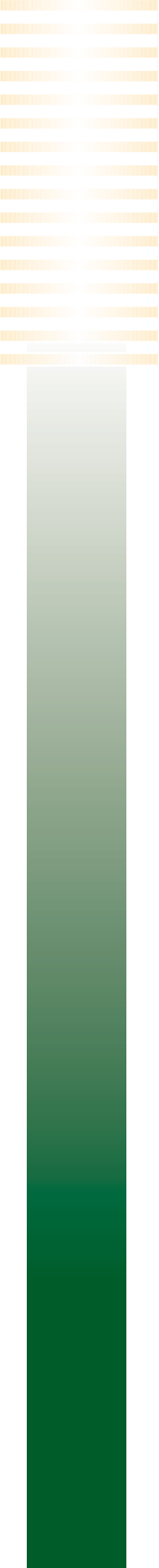


The _____
STRATEGIC PLAN
for _____
South African
_____ *Agriculture*



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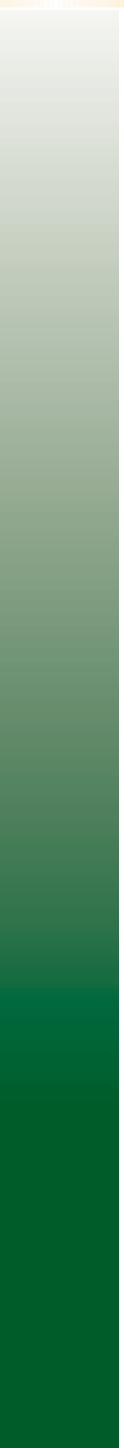
Glossary

ABC	Agricultural Business Chamber
AGIS	Agricultural Geographical Information System
Agri SA	Agri South Africa
ARC	Agricultural Research Council
BEE	Black Economic Empowerment
DA	Department of Agriculture
DTI	Department of Trade and Industry
EU	European Union
GDP	Gross Domestic Product
GNP	Gross National Product
IDP	Integrated Development Plan
ISRDS	Integrated and Sustainable Rural Development Strategy
LRAD	Land and Redistribution for Agricultural Development Programme
MAP	Millennium African Recovery Plan*
MEC	Members of the Executive Committee
MinMec	Council of Agriculture Ministers
NAFU	National African Farmers Union
NAMC	National Marketing Council
NDA	National Department of Agriculture
NGO	Non Governmental Organisation
NOCOC	National Operational Co-ordinating Committee
OIE	International Animal Health Association
PDA	Provincial Department of Agriculture
R&D	Research and Development
SADC	Southern Africa Developing Community
SARS	South African Revenue Service
SAPS	South African Police Service
SANDF	South African National Defence Force
SPS	Sanitary Phyto-sanitary
USA	United States of America
USAID	United States Agency for International Development
WTO	World Trade Organisation

* Changed to: NEPAD—New Partnership for Africa's Development



Foreword by Ms Thoko Didiza, MP and Minister for Agriculture and Land Affairs



The strategic agriculture sector plan is of critical importance because it is a product of government and the industry. I therefore want to express my sincere gratitude and appreciation to the President, Mr Thabo Mbeki, for his leadership when he invited industry representatives of Agri-SA and the National African Farmers' Union (NAFU) to join government in drawing up a common agricultural perspective to which government and industry would commit their efforts and resources in its implementation.

The implications of this partnership are that government and industry now share a common perspective on the sector's strategic issues; they can build the partnership from a common framework; they are going to share the burden of black economic empowerment and enhancing the profitability of agricultural industries at the same time; and from now on have common key messages to convey to the public, the sector, our country, the African continent and the world.

The vision of a united, non-racial and prosperous agricultural sector is based on three strategic goals of access and participation, competitiveness and profitability and of sustainable resource management. This is a long-term vision that will be pursued through much of this century to bring about a new, different and superior agricultural order from the present one.

The envisaged new sector will be geared to play its historic role of providing food and agricultural products and services to our country, our continent and the world. To this end, the Department of Agriculture has identified proposed actions that government is expected to perform, and has incorporated those applicable into its strategic plan for the coming three years. The Department is further incorporating the same proposed actions into its annual corporate work plans from 2002 onwards.

At intergovernmental level, the Department has engaged and will continue to engage provincial Departments of Agriculture and agricultural public entities, to adopt the strategic sector plan as a policy framework in designing their respective strategic and corporate work plans.

At national governmental level, the Department has put the strategic sector plan on the agenda of the Cabinet Cluster System to obtain support from other departments to successfully implement the plan. The Department will then seek Cabinet support and incorporate the proposed actions in the Government Medium Term Strategic Framework for inclusion in the Medium Term Expenditure Framework.

In the meantime, the Department is reprioritising its budget accordingly to obtain funds to communicate the strategic sector plan in the country, including Parliament, provinces, local governments, agricultural industries and community organisations. To this end, the Department will rely on its partners to participate and lead in their respective areas.

I wish to thank Agri SA President, Mr Japie Grobler and National African Farmers' Union President, Mr Peter Ramotla without whom the completion of this Presidential assignment would not have been possible. They provided their officials to join those of the Department to form the Task Team to do the work. They also availed Agri-SA MD, Mr Jack Raath and NAFU MD, Mr Mocks Mothabela to join the Director-General, Ms Bongiwe Njobe to oversee the activities of the Task Team.

I also wish to thank the Deputy Minister, Advocate Dirk du Toit, the MECs for Agriculture, the Director-General, Ms Bongiwe Njobe and the Provincial Heads of Agriculture as well as other senior government officials for supporting this sector plan process.

This initiative would not have succeeded without the constructive inputs of the leaders of organised agriculture in South Africa. These include the President, Mr Japie Grobler; Managing Director, Mr Jack Raath and leaders of Agri SA; the President, Mr Ramotla; Mr Teddy Matsetela and leaders of NAFU.

Working within the Task Team was surely an enriching experience for each of the following members:

Masiphula Mbongwa (Chairperson)	Department of Agriculture
Hans van der Merwe	Agri SA
Attie Swart	Department of Agriculture
Mookela (Mocks) Mothabela	NAFU
Johan van Rooyen	Agribusiness Chamber
Andrew Makenete	NAFU
Mr Teddy Matsetela	NAFU
Johan Pienaar	Agri SA

I also extend my thanks to Professor Johann Kirsten of the University of Pretoria for producing successive drafts of this document from notes of the discussions and instructions of the Task Team. Special mention and a vote of gratitude goes to Ina Goosen for coordinating the meetings and arranging for refreshments, and Simon Malepeng for taking notes.

My final gratitude goes to the United States Agency for International Development (USAID) for kindly funding this exercise.

Statement of intent

Agriculture, which includes all economic activities from the provision of farming inputs, farming and value adding, remains an important sector in the South African economy despite its small direct share of the total gross domestic product (GDP).

Agriculture provides food and fibre to meet two of the basic human needs. 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. Farmworkers, farmers and their families also contribute to the economy when they spend their wages and salaries on consumer goods and services, or when they buy inputs for production in the next season. In this way agriculture becomes the backbone of growth and development. Its influence on the economy has been demonstrated by the recent floods that destroyed parts of the Northern and Mpumalanga provinces in February 2000, when the GDP growth rate of the country dropped by 1 %.

Primary agriculture accounts for 4,5 % of the GDP of South Africa while the larger agro-food complex accounts for another 9 %. There are about 50 000 large commercial farmers that 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, or about 11 % of the total formal employment of South Africa. Many farmworkers live on commercial farms and their children receive education on farm schools. Commercial farms therefore provide livelihoods and housing to about 6 million family members of 1 million employees and provide 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. They supply local and regional markets where large numbers of informal traders make a living. Furthermore, there are an estimated 3 million farmers, mostly in the communal areas of the former homelands, who produce food primarily to meet their family's needs.

Finally, the productive and social activities of rural towns and service centres are centred on their support to primary agriculture and related activities such as agri-tourism and game farming. More than half of the provinces and about 40 % of the country's total population are therefore primarily dependent on agriculture and related industries.

Because of this critical role of the broader agricultural sector, President Thabo Mbeki regarded it as necessary to have regular meetings with a working group from organised agriculture to determine the sector's needs and position with regard to national issues. During one of these meetings in March 2001 the President was informed that the sector was plagued by a host of policy and institutional constraints that prevent it from operating at full potential and therefore contributing optimally to the national objectives of growth, competitiveness and equity. The President requested the different role-players to identify a mutual strategy that would provide enough focus to unite and grow the sector. He said this shared vision should have objectives, policies and actions that would lead to growth and real development for all role-players in the sector.

This document outlines a strategic sector plan for South African agriculture and contributes towards the well-being of all South Africans. It was drafted in a consultative process with a wide range of stakeholders by the key strategic partners, namely the National African Farmers' Union, Agri SA and the Department of Agriculture. The strategic sector plan has the following as its objectives:

- Create a common vision for key stakeholders
- Design and implement a strategic framework to guide policy and implementation in the future
- Address issues undermining investor confidence and the building of better understanding and good social relations
- Ensure increased access and participation in the sector through well-designed empowerment processes and programmes
- Combine, share and optimise the resources and benefits among the partners
- Foster global competitiveness, growth and profitability in the sector in order to attract new investment
- Ensure sustainable development
- Build lasting partnerships among public, private and community stakeholders and NGOs

The vision for the agricultural sector is:

A united and prosperous agricultural sector

This vision implies sustained profitable participation in the South African agricultural economy by all stakeholders, recognising the need to maintain and increase commercial production, to build international competitiveness and to address the historical legacies and biases that resulted in skewed access and representation.

In support of the vision for agriculture, the core focus for the strategy will be 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."

The vision gives a clear picture of where South African agriculture wants to be in the long term. The main impediment to successful implementation of this strategy is the vast untapped potential that lies in its people and material resources, and the low profitability and competitiveness that constrain 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 COMPETITIVENESS AND LOW PROFITABILITY

Indications are that the South African agricultural sector is responding positively to the challenge for increased competitiveness. However, there is also evidence that some subsectors of agriculture and value-adding activities are uncompetitive in the local and international market. This has various causes, including high input costs combined with low productivity, poor business strategies and inefficiencies, and unfair trade practices by our competitors, etc. The lack of international competitiveness also leads to low profitability and below normal returns in the sector, which is again responsible for low investment in certain industries. This is possibly the major challenge that needs to be addressed to put agriculture on the high growth path that is envisaged.

SKEWED PARTICIPATION

Because of the legacy of exclusion and discrimination in South African agriculture, the challenge is now to improve participation in all facets of the sector and rid it once and for all of the many entry barriers rooted in its historical dualism. The challenge is especially to identify programmes that will encourage new entrants—black and white; young and old; men and women; small and medium-scale enterprises to enter the sector. 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 poor investor confidence in agriculture is caused by the low returns as well as definitive and hard-core economic and social problems impacting on investment and production such as the spate of farm murders, evictions and illegal occupations. Investor confidence is necessary to achieve a vibrant and growing agricultural sector.

INADEQUATE, INEFFECTIVE AND INEFFICIENT SUPPORT AND DELIVERY SYSTEMS

The lack 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—constitute a major concern and a challenge to all state agencies 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 high and medium potential is not abundant in South Africa, and there is a limit to the horizontal extension of agricultural production. In addition, the infrastructure and services to support sustainable land use are inadequate. Government programmes (i.e. LandCare and Working for Water) aimed at protecting the resource base are successful but insufficient. Land degradation remains a problem on good and marginal lands. With increasing pressure on agriculture to increase 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.

In addressing the challenges and achieving the vision, the strategic plan will consist of three core strategies, namely to:

- Enhance equitable access and participation in the agricultural sector
- Improve global competitiveness and profitability
- Ensure sustainable resource management

Some elements of the core strategies are complementary and will contribute towards creating and restoring confidence in agriculture. With this in mind, the following essential supporting and enabling strategies, which are crosscutting to the core strategies, have been identified:

- Good governance
- Integrated and sustainable rural development
- Knowledge and innovation
- International cooperation
- Safety and security

These complementary strategic objectives are vital because they provide the critical foundation without which the strategic goal of a competitive, inclusive and sustainable agriculture will not be realised. They also emphasise the dependence of the sector on the support of other government cluster departments and industries.

The vision of a united and prosperous agricultural 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 aims of the strategic sector plan. It also requires that the Government does things differently—with greater speed and urgency and in partnership with farmers, agribusiness, NGOs and other government departments.

The detailed action plans of this strategic plan are going to be produced by all of those partners who have charged themselves with the responsibility for its implementation. What are outlined in this document are the strategic framework, priority programmes, joint implementation organ and provisions for community-public-private partnerships. To this end, the lead partners, namely the Department of Agriculture, Agri SA and NAFU—will establish the permanent joint committee. Efforts are underway to involve organised labour, NGOs, community-based organisations and foreign organisations.

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

- Implementing the broad-based safety and security strategy for good working and social stability, trust and confidence
- Fostering a shared vision on agriculture, good governance and social partnerships
- Fast tracking the programme of land redistribution for agricultural development and processes of empowerment for targeted groups
- Transforming agricultural research, transfer of technology, education and extension to be more responsive to markets
- Redefining the mandate of agriculture marketing and international trade in the post-control board era against greater global competition and demands for market access, infrastructure and information
- Building credible agricultural statistical and economic analysis systems that will be accessible to all farmers and enterprises
- Establishing the integrated rural financial services system outlined by the Strauss Commission Report
- Developing an effective and integrated risk management system for plant and animal health systems, price and income systems and natural disasters
- Targeting investment in rural development nodes to provide livelihoods, infrastructure, irrigation, electricity, telecommunications, transportation, training and skills development
- Establishing an agricultural cooperation programme for Africa to spearhead the New Africa Initiative in agriculture
- Lowering the overall cost of production, including a further reduction in the taxes and duties on diesel and other inputs.

In all of this the valuable role of the private sector in achieving the goals of participation, competitiveness and sustainability is recognised. Therefore everything will be done to ensure greater collaboration and coordination between government and the private sector—implying farmers, farmers' organisations and agribusiness—in order to attain the new vision of a united and prosperous agricultural sector.

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

- Increased wealth creation in agriculture and rural areas
- Increased sustainable employment in agriculture
- 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 and greater domestic and foreign investment in agricultural activities and rural areas
- Pride and dignity in agriculture as an occupation and sector

The partners commit themselves to provide the necessary time and financial and material resources to see to the successful implementation of the strategic plan. There is a clear understanding and appreciation that a new chapter is being opened for agriculture in South Africa, the SADC subregion and the African continent.



MINISTER: AGRICULTURE AND LAND AFFAIRS



PRESIDENT: AGRI SA



PRESIDENT: NAFU

