



Agriculture, forestry and land

South Africa has a dual agricultural economy: a well-developed commercial sector and a predominant subsistence sector. About 13% of the country can be used for crop production. High-potential arable land comprises only 22% of total arable land. Some 1,3 million ha are under irrigation.

Agricultural activities range from intensive crop production and mixed farming to cattle-ranching in the bushveld, and sheep farming in the more arid regions.

Economic contribution

Primary agriculture contributes about 3,3% to the gross domestic product (GDP) of South Africa and about 7,2% to formal employment. However, there are strong linkages

The estimated value of agriculture imports during 2004 came to about R15,847 billion, compared with R13,921 billion in 2003. The estimated value of exports decreased from R23,453 billion in 2003 to about R22,662 billion in 2004. According to the 2004 export values, citrus fruit, wine, grapes, apples, pears, quinces and sugar were the most important export products. Rice, wheat, oil cake, undenatured ethyl alcohol and palm oil were the most important import products.

During 2004, the United Kingdom, the Netherlands, Germany, Mozambique and the United States of America (USA) were South Africa's five largest trading partners in terms of export destinations. The five largest trading partners from whom South Africa imported agricultural products during 2004 were Argentina, Brazil, USA, Thailand and Australia.

Source: AgriNews, April 2005

into the economy, so that the agro-industrial sector actually comprises 15% of GDP.

South Africa is self-sufficient in virtually all major agricultural products, and in a normal year is a net food exporter. However, the country remains vulnerable to drought. In 2004, government spent R100 million on fodder and water to help drought-affected farmers. In anticipation of a predicted continued drought, a further

Gross value of agricultural production, 2004 (R'000)

Field crops	
Maize	8 318 266
Wheat	2 000 529
Hay	2 257 501
Grain sorghum	404 228
Sugar cane	2 730 628
Ground-nuts	367 307
Tobacco	581 999
Sunflower seed	1 235 948
Cotton	215 102
Other	1 318 057
Total	19 428 565
Horticulture	
Viticulture	2 623 417
Citrus fruit	3 670 562
Subtropical fruit	1 336 969
Deciduous and other fruit	5 743 251
Vegetables	3 870 485
Potatoes	2 364 441
Other	1 171 116
Total	20 780 241
Animal products	
Wool	936 607
Poultry and poultry products	13 389 903
Cattle and cattle products	6 991 676
Sheep and goats slaughtered	1 760 828
Pigs slaughtered	1 276 595
Fresh milk	3 776 064
Milk for dairy products	1 171 814
Other	1 766 442
Total	31 069 939
Grand total	71 279 745

Source: Agricultural Statistics, Department of Agriculture

Price of maize, wheat and sunflowers per ton

	End Sept 2004	End Sept 2005
White maize	R904	R823
Yellow maize	R942	R755
Wheat	R1 436	R1 440
Sunflower	R2 130	R2 185

Source: South African Futures Exchange

R120 million was requested in 2005/06 to buy fodder and prepare for the drilling of boreholes.

Production

Overall, prices of agricultural products increased by 2,3% from 2003 to 2004. During 2004, the producer price of field crops was 18,1% higher than during 2003. In 2004, producer prices of horticultural products decreased by 3,4% compared with 2003.

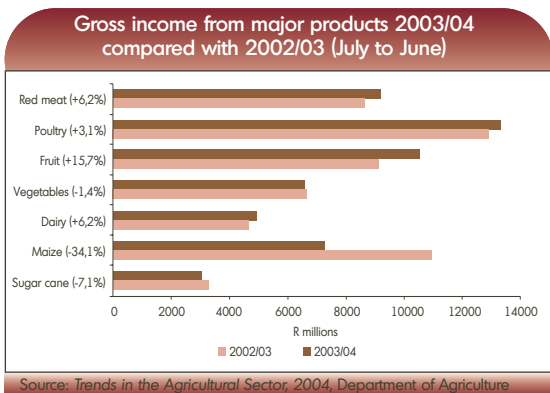
Prices of field crops increased by 35%, and horticultural and livestock products both increased by 23%. In 2005/06, government transferred R100 million to provinces for the implementation of the farmer-support programme.

Field crops and horticulture

- Maize is the largest crop, followed by wheat, sugar cane and sunflowers. South Africa is the main maize producer in the Southern African Development Community region. A total of 9,7 million tons (mt) of maize was produced in 2003/04 on 3,2 million ha of land. An estimated 3 mt maize surplus was carried over to 2004/05. This carry-over contributed to the slump in maize prices to four-year lows in the first quarter of 2005.

The Micro-Agricultural Finance Institutions of South Africa, the first state-owned scheme to provide micro and retail agricultural financial services on a large, accessible, cost-effective and sustainable basis in the rural areas, was launched in May 2005.

fact



Maize prices plunged from more than R1 000 per ton in November 2004 to less than R600 during the first quarter of 2005. The price of maize is expected to remain low. Better-than-expected rains also contributed to the maize price slide.

- Wheat is produced in the Western Cape and the Free State.
- South Africa is the world's 11th-largest producer of sunflower seed.
- South Africa is the world's 12th-largest sugar producer. Some 2,5 mt of sugar is produced per season. About 50% of this sugar is marketed in southern Africa, while the remainder is exported to numerous markets in Africa, the Middle East, North America and Asia.
- South Africa is the leading exporter of protea cut flowers, which account for more than half of proteas sold on the world market.



In 2004, South Africa exported 266,5 million litres of wine worldwide, which is a 12% volume increase from 2003, despite the robust Rand and aggressive competition prompted by a global oversupply. In addition to the United States of America, other high-growth destinations were the Netherlands, which grew by 18%, Germany (34%), Sweden (31%) and Canada (40%).

Total agricultural exports						
	2000	2001	2002	2003	2004	Average: five years
Total South African products R millions	210 022	245 448	314 927	274 640	292 261	267 460
Total agriculture products R millions	15 820	20 075	25 460	23 001	22 187	21 309
Agriculture as % of total exports	7,5	8,2	8,1	8,4	7,6	8,0

Source: Directorate: Agricultural Statistics, Department of Agriculture

Some other crops:

- The Oudtshoorn district in the Western Cape is responsible for about 90% of the lucerne seed produced in South Africa.
- Deciduous fruit exports represent 11% of the country's total earnings from agricultural exports. During 2003, South Africa was the largest exporter in the southern hemisphere of table grapes to Europe and the United Kingdom. Horticulture represents 77% of the total value of agricultural exports, while deciduous fruit make up 60% of horticultural products.
- South Africa is the eighth-largest wine producer in the world. In 2004, the country harvested 312 184 tons of grapes, which resulted in the production of 1,016 billion litres of wine.
- Citrus production is largely limited to the irrigation areas of Limpopo, Mpumalanga, the Eastern and Western Cape, and KwaZulu-Natal. A total of 2 mt of citrus was produced in 2003/04, which was an increase of 4% from 2002/03.

The Department of Agriculture has introduced *sedupe* – sniffer dogs – to detect illegal food items among airport luggage. By April 2005, the dogs had detected 307 illegal smaller consignments in the baggage carousel areas.

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Livestock (million)		
		2005
Cattle		13,91
Sheep		25,32
Pigs		1,66
Goats		6,36

Source: Agricultural Statistics, Department of Agriculture

- Pineapples are grown in the Eastern Cape and northern KwaZulu-Natal. Other subtropical crops such as avocados, mangoes, bananas, litchis, guavas, papaya, granadillas, and macadamia and pecan nuts are produced mainly in Mpumalanga and Limpopo and subtropical coastal areas. In 2003/04, South Africa produced 595 000 tons of subtropical fruit.

Livestock

By May 2005, there were an estimated 13,91 million cattle, 25,32 million sheep, 1,66 million pigs and 6,36 million goats in South Africa.

Cattle ranches are found mainly in the Eastern Cape, parts of the Free State and KwaZulu-Natal, Limpopo and the Northern Cape.

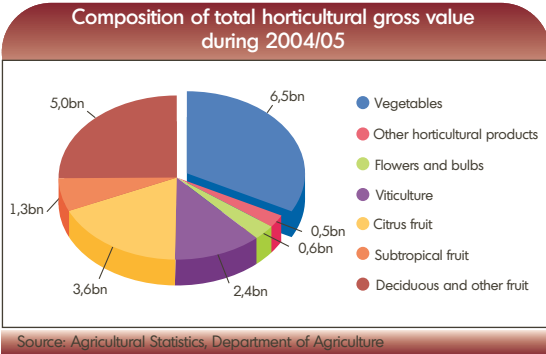
Sheep farming is concentrated in the Eastern Cape (30%) Northern Cape (26%), the Free State (20%), Western Cape (10%) and Mpumalanga (7%). Most sheep (18 million) are woolled or dual-purpose sheep.

Strategic Plan for South African Agriculture

This plan recognises the need to improve commercial production, profitability and global competitiveness, while

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On 1 September 2004, government and its partners launched a joint initiative in e-commerce named *Wine Online*, with about 98% of exporters applying online for export certificates and other required certification documents.



ensuring equitable access to the sector, deracialising land and enterprise ownership, and ensuring sustainable resource management.

The national Department of Agriculture, the National African Farmers' Union and Agri SA have established an institutional framework for implementing the plan.

Food security

The Integrated Food Security and Nutrition Programme, adopted in July 2002, aims to eradicate hunger, malnutrition and food insecurity by 2015.

By June 2004, the department, working with the provincial departments of agriculture, had distributed production support packages to 37 000 of its target of 50 000 households.

Land and Agricultural Development Bank of South Africa (Land Bank)

The bank provides a comprehensive range of retail and wholesale financial products and services designed to meet the needs of commercial and developing farmers and agriculture-related businesses.

Micro-finance is available to clients with no security who may borrow amounts from R250 to R18 000.

Instalment Sale Finance is a type of medium-term loan where the goods that one buys act as the main security for the loan: the goods belong to the bank until the loan is paid in full. It enables all farmers, especially those with limited assets, to grow their businesses.

This finance package is available for periods between three and 10 years, depending on the expected length of the assets' life.

Forestry

South Africa has developed one of the largest planted forests in the world. Production from these plantations amounted to more than 19,2 million m³, valued at almost R4,1 billion, in 2003. Together with the processed products, total turnover for the industry was about R14,6 billion in 2003, including R8,4 billion worth of wood-pulp.

The industry was a net exporter to the value of over R3,9 billion in 2004, more than 98% of which was in the form of converted value-added products. Had it not been for this trade surplus in forest products, the country's trade deficit in 2004 of R13 billion would have been 30% higher.

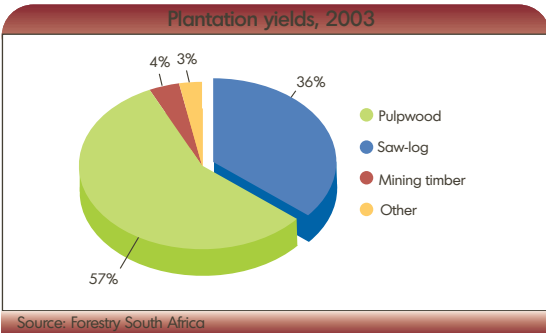
The forest-products industry ranks among the top exporting industries in the country, having contributed 3,09% to total exports and 1,68% to total imports in 2004.

Capital investment in the industry amounted to some R24 billion in 2004. Investment totalled R16,3 billion in 2001 and R9,7 billion in 1999.

The forestry sector employs about 151 000 people. With a claimed multiplier effect of four to one, some 600 000 people owe their employment to forestry.

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South Africa's national tree, the yellowwood tree (*Podocarpus*) can grow to a height of more than 40 m with a girth of 8 m, and can live for up to 800 years.



Indigenous forests

There are about 530 000 ha of indigenous or natural forests in the country, which occur mainly along the southern and eastern escarpment, the coastal belt and in sheltered kloofs or ravines.

There has been an increase in the use of natural forests as sources of medicine, building material, fuel wood and food. It is estimated that around 80% of South Africa's population still uses medicinal plants, most of which are sourced from natural forests.

For the first time, South Africa has a detailed inventory of all its natural forests, which will be used to accurately monitor changes in forest areas. The Department of Water Affairs and Forestry also completed a classification of natural forests, represented by 24 broad forest types. The Natural Forests Protected Areas System was also completed for all forests in 2004, and will guide the setting aside and redemarcation of natural forests into protected areas.

In June 2005, South Africa's reigning world champion shearer Elliot Ntsombo retained his World Blade Shearing title at the World Sheep Shearing and Woolhandling Championship held in Toowoomba, Australia.

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The commercial forestry industry in South Africa is committed to practising Sustainable Forestry Management and is a world leader in forest certification. This is demonstrated by the fact that over a million hectares (ha), or over 80% of the entire planted area of commercial forestry plantations in South Africa, are certified by the Forest Stewardship Council (FSC) and the ISO 14001 certification schemes as being sustainably managed. By March 2005, nearly 1,7 million ha of forestry land in South Africa was certified by the FSC, the second-largest area in the southern hemisphere after Brazil.

Reforming forests

The Department of Water Affairs and Forestry is pursuing a reform programme in the forestry sector, which will eventually see the Government leasing all state-owned forest land to the private sector.

Land affairs

The Department of Land Affairs' responsibilities include deeds registration, surveys and mapping, cadastral surveys, spatial planning and land reform.

A project to upgrade townships surveyed under the apartheid Government has made it possible for thousands of people to register properties as freehold where previously they held lesser rights.

The Chief Directorate: Surveys and Mapping will establish real-time base stations in support of the surveys for the Communal Land Rights Act, 2004 to enable communities previously excluded from the benefits of landownership to hold formal title to their land.

Maps of aerial photography coverage in the rural areas, particularly within the Integrated Sustainable Rural Development Programme nodes, will be updated.

The 1:50 000 topographical map series is the largest scale map series, providing full coverage of South Africa.

The popular large-scale 1:10 000 orthophoto map series provides coverage of predominantly built-up areas, areas of

economic importance and areas experiencing rapid development.

The Chief Directorate: Deeds Registration aims to maintain a public register of land, as well as an efficient system of registration aimed at affording security of title to land and rights to land.

Land reform

The Land Reform for Agricultural Development (LRAD) Programme aims to give previously disadvantaged people access to land, especially agricultural land. Its objective is to redistribute 30% of agricultural land to historically disadvantaged farmers by 2014.

By February 2005, of the 23 520 beneficiaries of the LRAD, 19% were youth and 34,7% women.

By April 2005, the department's 209 000 ha of agricultural land had been transferred to emergent farmers and communities. In her budget vote in April 2005, the Minister of Agriculture and Land Affairs, Ms Thoko Didiza, announced that some 30 400 ha of land was leased with an option to purchase.

**Cumulative statistics on settled restitution claims
1995 – 31 March 2004**

	Land restoration	Financial compensation	Alternative remedy	Total no of claims settled	Beneficiaries involved
Urban claims settled	14 758	25 477	2 477	42 712	264 480
Rural claims settled	2 873	3 234	6	6 113	397 827
Total	17 631	28 711	2 483	48 825	662 307

1. The above statistics are based on the information reflected in the Database of Settled Restitution Claims.
2. To improve the accuracy of the statistics, the Database of Settled Restitution Claims is subject to an ongoing process of internal auditing.
3. Project Basisa is currently being used to clean/update the Landbase System, as a further mechanism to address any inconsistencies in the statistics.

Source: Department of Land Affairs

Land restitution

The return of land or provision of compensation to those who were dispossessed or forcibly removed through the now defunct Group Areas Act, 1950 is expected to be completed over the next three years.

By February 2005, a total of 57 908 claims had been settled, benefiting 863 138 beneficiaries who had obtained 854 444 ha of land.

In addition to restoring land rights to the rightful owners, these restitution settlements are set to bring money and infrastructure into rural villages. Linked to the restitution programme, government provides agricultural support to emerging farmers and contributes to improved land use and productivity.

An additional R6,5 billion was made available in 2005/06 for land restitution, bringing the total spent since 1994 to R14 billion. The original budget allocated to the Commission on the Restitution of Land Rights for 2004/05 was R933 million, but this was increased to R1,13 billion in line with the increased number of claims settled.

About 80% of the total number of claims lodged were urban, while 20% were rural.